Daily Report

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FBIS-EEU-94-141 *22 July 1994*

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Britain's Hogg To Discuss Relations, Kosovo

AU2107202494 Tirana TVSH Television Network in Albanian 1800 GMT 21 Jul 94

[Report by Vjolica Vokshi]

[Excerpt] [passage omitted] In an interview for Albanian Television at Rinas Airport, Douglas Hogg expressed optimism about the latest developments in Albania.

[Begin Hogg recording in English fading to Albanian translation] I haven't been here for two years.... I know that during this time many changes have occurred in Albania, and I want to discuss precisely these issues with representatives of the Albanian Government and President Berisha. We will also focus on such problems as Kosova, Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], etc.

Am I satisfied with the course of relations between Great Britain and Albania? Of course, I am happy. We want to further expand these relations which were bolstered with President Berisha's visit to London. This is one of the reasons I am here. [end recording] [passage omitted]

Elbasan Metalworkers Threaten Hunger Strike

AU2107133094 Lezhe KOHA JONE in Albanian 16 Jul 94 p 2

[Report by Besim Dybeli: "Two Thousand Workers Shut Themselves Up on Hunger Strike on Monday"]

[Text] For more than three days in a row, hundreds of workers from the Nickel-Cobalt Plant of the Elbasan Metallurgical Combine have been protesting at the factory gate, demanding the return to work of workers who have been thrown out on welfare without legal justification. Another reason for these mass protests has been the breach of the most recent agreement between the trade unions and the directorate of the relevant ministry regarding the return to work of at least the 600 workers who were most recently laid off on welfare in February this year. Their demands are mostly based on a statement of former Factory Director Genc Balashi, who was dismissed by the workers themselves, but who said that the factory's financial position at the moment when he handed over his post involved $426,000 paid into the State Bank in Elbasan in the following accounts: $39,100 in Account No. 516/3613; $191,000 in Account No. 516/107; and $190,000 in Account No. 444/307.

These facts, which the workers have been using as strong arguments in making their demands, are strongly disputed by the factory's current management, and especially the director, who has called these figures issued by her predecessor "absurd." She claims that the factory is running a large financial deficit and this is why a large number of workers are on welfare. On Thursday morning [14 July], we talked with a number of workers and trade union leaders who are at present protesting outside the factory premises, because they were not allowed to enter. They are, first of all, indignant that this large sum, which would have paid the factory's 2,000 workers for two years, disappeared without a trace. According to the workers, this sum has been transferred to the State Bank in Tirana and placed at the disposal of the ARN (Restructuring and Construction Agency).

Appeals have also been made to the government on these problems, and a letter has even been sent to President Sali Berisha, who, according to Kristaq Dede who was present as trade-union representative at a meeting with the president, said that if the figure of the sum on deposit is accurate, the layoffs of these workers must be considered unjustified. A reply from the president's adviser to the most recent petition about the industry's problems addressed to the government authorities and the president of the republic reached the workers 13 days after it was sent.

Nevertheless, even though the local authorities, including Ndricim Allaj, chairman of the District Council, have supported the workers' fair demands and the government is predisposed to meet them, snags arose in the factory's management. As a result, the workers have been protesting for more than three days and have drawn up lists of those who are going on a hunger strike on Monday [18 July]. Besides these problems, the trade union representatives have demanded the publication for the workers of the factory's accounts for 1993, the deposit of the proceeds of the sale of tar, oil, and basic carbonate on the Macedonian market, and an explanation of the loss without trace of certain important pieces of equipment. However, the administration remains silent in the face of the workers' claims, and the latter, after the empty promises of many officials, are obliged to choose the ultimate method of protest—a hunger strike!

Zhelyu, Walesa, Hold 'Useful' Talks in Sofia

AU2107175194 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 21 Jul 94

[Text] Polish President Lech Walesa arrived in Bulgaria on an official visit today. The delegation accompanying him includes ministers, parliamentary deputies, advisers, and experts.

This afternoon the Polish head of state and Bulgarian President Zhelyu Zhelev held private talks at the Boyana Residence. The official Polish and Bulgarian delegations also held a meeting.

The two presidents described their conversation as useful, adding that the talks covered the prospects for development of Bulgarian-Polish relations. The situation in the Balkans was discussed, during which the two presidents presented their views on how to solve the Yugo-conflict. The two presidents also discussed NATO's future role from the viewpoint of collective security [passage indistinct].

Walesa Wants Closer Ties

LD2107191294 Warsaw Radio Warszawa Network in Polish 1700 GMT 21 Jul 94

[Excerpt] Poland wants close cooperation with Bulgaria, President Lech Walesa has said in Sofia, where he is on a visit.

This close cooperation should be based on principles of partnership. We are agreed on foreign policy: We want our countries to more quickly integrate into the European community of modern, democratic states, and so both Poland and Bulgaria realize the significance that joint activity in international institutions and organizations will have. We support Bulgaria's wish to join the Visegrad Group.

In the economy, the fundamental task is to increase trade and cooperation. The Poles can cooperate with Bulgaria in building hotels and motels; in turn, the Bulgarians are keen on participating in building the north-south highway which will link the Baltic with the Black Sea, and on through Istanbul to Turkey.

Bulgaria is endeavoring to repay its debt to Poland by the end of January next year in deliveries of wine and machinery. [passage omitted]

Walesa Addresses Parliament

AU2207113494 Sofia Khorizont Radio Network in Bulgarian 0737 GMT 22 Jul 94

[Address by Polish President Lech Walesa to the Bulgarian National Assembly in Sofia—live; Walesa speaks in Polish with passage-by-passage translation into Bulgarian]

[Text] Esteemed Mr. President, esteemed Mr. Chairman, esteemed ladies and gentlemen, it is an honor for me to address the parliament of a sovereign and independent Bulgaria.

It is an honor for me to address Bulgaria's highest ranking representatives, who were chosen by the people as a result of free elections.

I have the opportunity to make statements that, until recently, we in our region were not allowed to utter or to hear.

Bulgaria and Poland have made their choice. They both took on the risk and had the courage to make mistakes. Today we cannot be satisfied with everything, but, on the other hand, we are convinced thay we are proceeding along the correct path.

Esteemed ladies and gentlemen, I would like to thank you for the kind words that have been spoken about myself and my homeland. Today, while Bulgaria and Poland are both living through difficult moments and a period of trials, we both, as representatives of democratic forces, should seek arguments for persuading the public. We know the arguments to use to convince people that the choice had to be made. Nevertheless, in the meantime we are omitting an argument that should be considered essential. It is that in our efforts to change the system we are not inspired by hatred. We do not wish to offend or persecute anyone. We in Poland are convinced that everyone has the right to work for the goals that I mentioned while preserving his own nature and his own identity at the same time.

For this reason, we in Poland say that communists have the right to work, because they represent a tremendous asset, that of experience. Naturally, all those who have committed crimes should be judged, that is, judged by law. In our opinion, the present moment requires the establishment of states and the building of societies, rather than the settling of scores. We should by no means look back to the past.

Everything that we are trying to accomplish today requires much time and peace. It requires stability and security. Our historical experience has made us particularly sensitive in this respect. Today my homeland Poland is not threatened. Poland maintains good and friendly relations with all its neighbors today. Hence, we have no apprehensions in this respect. Nevertheless, we are entitled to have every reason to be afraid of bad (?memories) and of ideologies, that is, insane ideologies that may well be revived.

After the last 50 years that we lived through, the example of Yugoslavia shows us that this might happen. We realize that in the region, in the area that was created and now exists in the post- communist era, the dark past is being replaced by an uncertain future.

At the same time we should remember the high prices that our society is paying and we should realize how

greatly disappointed people sometimes are with the transition to reform. The lack of a clear concept about what the future Europe should represent is also a reason for apathy. You people in the Balkans know better than anyone else how short the distance may be from ideas to tragedy. You know how quickly hatred can be fanned. Hence, we are both trying to extend the zone of security and stability. Hence, we are both trying to extend European structures. This is the only way to restrict the zone of insecurity already mentioned. This is the only way to prevent the emergence of hotbeds of tension.

We must realize that such hotbeds of danger threaten not only individual countries, but Europe as a whole.

As for questions of security, our views and evaluations coincide. I would also say that the goals that we are both pursuing are very similar and even identical.

All this offers a very broad sphere, a wide platform, on which we should cooperate.

The Poles are already convinced that Poland is a truly democratic country today. This is no mere slogan. Naturally, just as in Bulgaria, the process of change has by no means been completed in Poland. Nevertheless, we have already achieved numerous solutions that we consider correct. We have acquired great experience that we could share with you.

At the same time we should not forget that the economies of our two countries lived in symbiosis for a long time. We used to grow and develop like a tree with its branches. We were being supplied with the vital juices, energy, and raw materials. However, we shared the fruits always according to a plan, but not always in harmony with logical thinking. Today we should apply European standards; we should adhere to relations tested by experience.

Esteemed ladies and gentlemen, I would like to repeat that all the things that we are doing to try to implement privatization are not an intransigent requirement or subservience to a certain dogma.

Europe has already created and assessed its own standards and dimensions. We know what this means in the political context. It means pluralism, democracy, and human rights. We also realize what it means in the field of economics. It means a market economy and the prevalence of private property.

I repeat once more: It is obvious that Europe will not adjust to us. We have no choice. We are the ones who are expected to adjust to Europe.

I have repeatedly expressed the idea that Europe looks like the pieces of the well-known children's toy Lego. You can observe, ladies and gentlemen, how children play with Lego. They discard every piece that does not fit. Hence, whether we wish it or not, we must adjust our dimensions to the requirements of Europe. I am convinced, and the Bulgarian public is also convinced, I believe, that only a quick change will permit us to adjust to the requirements of Europe. The effectiveness and efficiency [operativnost] of our system depends on this. It is our tragedy that, unlike the United States or Western Europe, we do not have hundreds of years for our reforms. In order to achieve the necessary effect we are obliged to carry through our reforms within the next five or 10 years at the most.

The more promptly we attain this goal, the more efficient we will be, and the more profits we can achieve. Every obstacle, every delay would be an action against our societies. Naturally, such an operation is painful and it is likely to produce and foster crime.

I presume that people in your country are familiar with the saying that the first million that a capitalist earns is not always earned in the most honest way. If we multiply this million by 10—considering that we are obliged to achieve our reform 10 times more quickly—it is evident that the first 10 million, rather than the first million, would be earned by dishonest methods in our countries. Naturally, we cannot approve of such methods and they should not be regarded as an example. Nevertheless, we should have a realistic approach to such developments and understand that this is a historical process.

We are obliged to pay the price for this process, because we are obliged to carry it through.

Hence, the role of parliament is very important. Hence, it is so important that parliaments should eliminate everything inappropriate by force of legislation. The sometimes negative assessment of the public as regards our actions today can be attributed to various reasons. However, there is one subject that we have not mentioned yet. As far as I am concerned, democracy means in the first place the most uncompromising observance of the law. Laws should certainly be amended and passed, but once they have been passed, they must be uncompromisingly observed. Otherwise, we face the birth of anarchy. In how many places and on how many occasions is the law violated in both our countries? How many strikes are breaking out where it is difficult to establish whether they are legal or not? Once upon a time I was the first striker. However, the issues were quite different in those days. We could not be represented in parliament; we were not allowed to express our views or publicize our programs. First people were arrested, then the laws and regulations were altered so as to punish them. Today, if we wish to create a democracy, we should repeat three times a day: Let us uncompromisingly observe the law, unless we want to create anarchy.

I am convinced that as long as this remains our understanding of democracy, both our countries have the chance to achieve a prompt effect. You see what happens when the law is constantly being violated. I would even say that the constant shift from one parliamentary group, from one party, to another, also represents a breach of the law. This is an example that encourages others to break the law. [applause]

Once we have made a decision, we should think 10 times before making the decisive step.

With this, I take the liberty of ending my statements on domestic and parliamentary subjects.

As far as international issues are concerned, we have observed that in both our countries discussions always focus on the same question: Why has it happened that our economic cooperation is not satisfactory and that it is lagging far behind that of the past?

Many reasons exist for this, but the main reason is the following:

After the disbanding of the Warsaw Pact and of CEMA we dispersed and split up. Today we seem to be afraid of institutions that unite us. We seem to be afraid of restoring the old order. This is correct. Why should we create a new CEMA, after all? Hence I have another proposal to make, namely to offer the following solution.

We should think about and select the subjects and the issues on which to proceed together. However, we should select subjects and issues that clearly show why we are proceeding together and in which direction we should proceed side by side.

The joining of NATO structures, namely security structures, could be such an issue. The same applies to joining the economic structures of the European Union and other structures.

Your great idea, namely your plans to build international highways, could be another such solution. A great highway from the north to the south would involve not only Poland and Bulgaria, but many other countries, the whole Visegrad Group, for example. We are obliged to find such issues and subjects, develop them, and establish in which areas we should proceed together.

Over the last four years of rich experience and great hardships we could have been much more efficient and we could have achieved much greater successes on the international, European, and world scene. We have tremendous potential that we did not succeed in fully exploiting.

Poland would like to cooperate closely with Bulgaria. Poland wishes Bulgaria to be a happy and prosperous country, and I am convinced that we can achieve this together.

Half of the success has already been achieved; namely freedom, pluralism, democracy, and the initial phase of market economy have already been established in our countries.

Let us try together to deal with these issues and problems that I have just mentioned, and I am convinced that we shall be successful and that Europe will be satisfied with our success.

Thank you. [applause]

KDL-CSL Leader Views Recent Coalition Talks

AU2107140194 Prague HOSPODARSKE NOVINY in Czech 20 Jul 94 pp 1, 3

[Interview with Josef Lux, chairman of the Christian Democratic Union-Czechoslovak People's Party (KDL-CSL) and deputy prime minister in charge of agriculture, by Jiri Polak; place and date not given: "A Good Basis for Restoring Trust"]

[Text] [Polak] What are the main reasons you decided to convene a coalition meeting halfway through the term of office, and did it meet your expectations?

[Lux] The main reason for calling the meeting was an attempt to contribute to the restoration of trust among the coalition partners. Moreover, we were truly concerned that a certain violation of agreements, which we condemn among businessmen and citizens, in general, was gradually becoming somewhat of a standard proceeding. Our long, almost five-and-a-half hour discussion veritably contributed to cleansing coalition relations, and I hope that a good basis has been laid for the restoration of trust. I believe it of particular importance that the government policy statement was confirmed, as well as our agreements. Of course, the validity of these agreements has also been confirmed. Only time and actual deeds can certify the truth of all this, but an important step has been taken.

[Polak] Shortly before the meeting, the prime minister spoke about disparate priorities within the coalition. Has this statement also been discussed?

[Lux] The prime minister's statement that it has become obvious that the priorities of the ODS [Civic Democratic Party] are different from those of the other coalition parties really made us uneasy. We emerged from the elections as coalition parties and agreed on the government policy statement, in which we defined our priorities. I consider it of fundamental importance that we reconfirmed them.

[Polak] Following the meeting, the participants emphasized the reconfirmed principle of frequent coalition talks as a means of finding an accord within the coalition. The confirmation itself is nothing new. Do you believe, however, that the principle will be actually implemented now?

[Lux] We agreed in the discussion that only the public and no one else can arbitrate the fulfillment of our agreements. We cannot go to court for not keeping the coalition agreements. In this respect, the statement by all four parties regarding the joint priorities as defined in the policy statement, the will to observe the coalition agreement, and its confirmation are very important. The binding nature is enshrined not only in the relations among us but, above all, in the relations with the public.

I am convinced that a violation of the agreement must be completely ruled out by the people who bear responsibility for this state. Of course, altercations within the coalition cannot be settled by means of force. Someone could seem to be a victor but only for a short time. I am convinced that any dispute within the coalition is a form of disgrace in the long run. The experience in coalitions around the world is unequivocal, and the idea that the coalition would not reach an accord on a norm and pass it onto parliament nonetheless is unreasonable, to say the least.

[Polak] After the meeting, you spoke about the government focusing on the noneconomic sphere. Can you be more specific?

[Lux] The discussion took place in three blocs: The first one dealt with the assessment of the work to date, the second focused on the priorities, and the third had to do with coalition cooperation. In the assessment, we agreed that the coalition in principle follows the policy statement. Nevertheless, we also agreed that the pace of the macroeconomic changes so admired in the world is not accompanied by a corresponding pace of the progress in the microeconomic sphere. This concerns the area directly connected with the fulfillment of the Constitution (i.e., the issue of establishing the higher territorial administrative units, the question of the Senate) and the problems of nonprofit organizations, conclusion of the restitutions, crime, and housing policy. We have unequivocally recognized the joint will to exert all strength precisely in this sphere that surpasses the macroeconomic dimensions.

[Polak] Some time ago, you commented on the atmosphere in the coalition by saying that possibly 80 percent of the accord is often optically hidden by 20 percent of dissension. Would you phrase it like that today?

[Lux] It must be noted that the intersections of congruence that exist in the coalition simply do not become subject to intensive discussions or a subject of interest of the media. If we consider the amount of laws tabled in the parliament in accord in both the government and the coalition, if we consider the quantity of work executed by the government, I am convinced that the rapport dominates. Nevertheless, it is true that the issues on which we have difficulty in finding a consensus are pushed in front of us, and there is a certain danger that this heap could become insurmountable. The purpose of the meeting was, among other things, to find a way to prevent this.

Rejects Klaus's 'Invective'

AU2107132994 Prague LIDOVE NOVINY in Czech 20 Jul 94 p 3

[Interview with Josef Lux, chairman of the Christian Democratic Union-Czechoslovak People's Party and deputy prime minister in charge of agriculture, by "has"; place and date not given; from the "A Question for" column]

[Text] [LIDOVE NOVINY] After the meeting of the government parties in Kolodeje, Vaclav Klaus, Civic

Democratic Party chairman [and prime minister], said that a part of the coalition is stoking the fire under the imaginary political cauldron and lacks humility before the results of the transformation of the Czech Republic. Do you agree?

[Lux] In a well-functioning coalition, it is not customary to accuse coalition partners of being the cause of anxiety in the state. After all, they legitimately advocate the views of their voters. In society, on the political scene, or in working teams, a variety of opinions is a normal expression and enrichment of the range of possible solutions, and they can be accepted calmly and without invective. Silence in humility is already behind us. Humility is a feature that usually leads all of us, not just some of us, to be able to listen to the opinions of others and accept what is of inspirational value in them. I would like to see such humility for all of us in the coalition.

Manpower Cuts in Army Said Proceeding as Planned

AU2107132894 Prague RUDE PRAVO in Czech 19 Jul 94 p 2

[Article by "per": "There Are Fewer Soldiers"]

[Text] Prague—The planned number of soldiers in the Czech Army on 1 July of this year was 88,101. That is 17,756 fewer than the planned number on 1 January 1993. Professional soldiers account for less than half of the total. At the same time, however, the number of civilian employees increased from 27,275 to 28,833. This is indicated by the data on the transformation of the Czech Army obtained by RUDE PRAVO from the Press Department of the Defense Ministry.

Hungarian Parties Conclude Coalition Agreement

LD2107175394 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1500 GMT 21 Jul 94

[Text] A coalition agreement between the Coexistence Movement, the Hungarian Christian Democratic Movement, and the Hungarian Civic Party was signed in Bratislava today by their representatives—Miklos Duray, Pal Farkas, and Laszlo Nagy. The agreement contains principles of political cooperation before and after the elections, both in parliament and outside it.

Hungarian Coalition Based on Komarno Documents

LD2107193694 Bratislava STV i Television Network in Slovak 1730 GMT 21 Jul 94

[Text] According to the representatives of the Hungarian Christian Democratic Movement, Coexistence, and the Hungarian Civic Party, the signing of their coalition agreement today marks the most important day for the Hungarian minority in Slovakia since 1989.

The basis of their joint political program is the acceptance of the contents of documents approved in January in Komarno. This means the setting up of a limited self-determination, regional self-government or autonomy, personal autonomy for people who live locally as part of a minority and the creation of a partnership relation between the Hungarian community and the Slovaks.

To strengthen the bloc, the Hungarian coalition also approached the Hungarian People's Party with an offer to take part in the coalition's list of candidates.

DS, SPZ To Negotiate With DU on Coalition

AU2107132794 Bratislava SME in Slovak 19 Jul 94 p 2

[Article by "(rir)": "The Democratic Party and the Party of Entrepreneurs and Tradesmen Will Hold Talks With the Democratic Union on a Tripartite Coalition"]

[Text] Bratislava—The Democratic Party [DS] and the Party of Entrepreneurs and Tradesmen [SPZ] will, according to DS Chairman Ivan Miklos, hold talks with the Democratic Union [DU] on forming a tripartite coalition. He also said in an interview with SME that the two parties agreed at a meeting yesterday to renew their talks.

SPZ Chairman Vladimir Randa emphasized that the stance adopted by and the outcome of the DU Council session (on 23 July) will be important. According to him, the decision to accept or reject this offer will be made at it. If it is not accepted, a further step will be taken, according to Randa, in the negotiations between the DS and the SPZ on forming a coalition. The official talks with DU begin today.

KDH Chairman: HZDS Election Material Genuine

AU2207093294 Bratislava SME in Slovak 20 Jul 94 p 2

[TA SR report: "Christian Democratic Movement Chairman: The Material Is Genuine"]

[Text] Bratislava—"I consider the material on the preelection strategy of the Movement for a Democratic Slovakia [HZDS], including a budget of 66 million korunas for the election campaign, on which I briefed the National Council of the Slovak Republic, to be genuine," said Jan Carnogursky, chairman of the Christian Democratic Movement [KDH], yesterday. He was reacting to the statement released on 18 July by the HZDS Press and Information Department (TIU HZDS), according to which "he accused the HZDS of excessive spending in the preelection campaign." The movement expects him to apologize for this.

According to Carnogursky, the TIU HZDS statement does not deny that the material is genuine. When all is said and done, the real amount that this movement spends on the election campaign will determine whether the document is authentic or not, said the KDH chairman.

HZDS-Led Coalition Still Leads in Poll

AU2207093194 Bratislava SME in Slovak 20 Jul 94 p 2

[Article by "(r)": "How Would We Vote in July"]

[Text] The Slovak Statistical Office, within the framework of its regular monthly survey of opinions in society, conducted a representative public opinion poll from 1 to 11 July 1994. The sample involved 1,254 Slovak citizens.

The replies obtained confirm the voters' continuing keen interest in participating in the early parliamentary elections. Eight out of 10 respondents expressed their interest in taking part in them.

We depict in the table below the electorate's support for those political entities that in July would gain 2 percent or more of the votes of Slovak citizens who will certainly or probably cast their ballots.

Of the political entities not depicted in the table, the Hungarian Civic Party, the Forum of Workers, the Slovak Green Alternative, the Communist Party of Slovakia, and the Christian Social Union would win between 0.5 and 1.5 percent of the vote.

	(in percent)		
	May	Jun	Jul
Movement for a Democratic Slovakia-Farmers' Party of Slovakia [HZDS-RSS][1]	27	29	28
Party of the Democratic Left-Social Democratic Party in Slovakia-Green Party in Slovakia-Farmers' Movement	23	20	17
Christian Democratic Movement	11	8	12
Democratic Union	5	6	7
Slovak National Party	4	4	6
National Democratic Party	3	3	2
Democratic Party-Party of Entrepreneurs and Tradesmen [DS-SPZ]	4	3	3
Association of Workers of Slovakia	3	4	4
Hungarian Christian Democratic Movement-Egyutteles	7	8	7
Other political entities	5	6	6
Do not know	8	9	8

[1]For the HZDS-RSS coalition in May and June, only an estimate of the electoral support for the HZDS is given. For the left-wing coalition, the May figure is the aggregate of the electoral support for the current coalition partners. The DS-SPZ bloc collapsed on 4 July, at the time the poll was being conducted.

Comment on Voters' 2d-Choice Party Preferences

AU2107165294 Bratislava SME in Slovak 19 Jul 94 p 4

[Commentary by Ondrej Dostal: "Everything Could Be Different on Election Day"]

[Text] It is interesting, although quite understandable, that the greatest tendency to consider changing their decision to vote for a particular party is shown by the supporters of those entities hovering on the verge of the parliamentary 5-percent threshold. However, inasmuch as it is not exclusively their speciality alone, the final election results at the beginning of October may yet differ rather significantly from the polls being published at the moment. The voters of some entities, moreover, are inclined to change their decisions a little too fast—for example, Slovak National Party [SNS] voters in the most recent poll conducted by the FOCUS agency. When the pollsters asked the respondents to select entities campaigning independently and, at that time, current preelection groupings, 8.8 percent said that they would vote for the SNS. In one of their other questions, the pollsters asked about groupings that could still be formed. The SNS also appeared independently in this question (because its entering into a preelection coalition had not been taken into consideration), but, this time, only 6.9 percent said that they would vote for it. Therefore, it would be a slight exaggeration to say that one-quarter of SNS voters had forgotten, within the space of five minutes, that they are SNS voters. It will be important for the SNS whether its voters remember this at the end of September and the beginning of October.

In contemplating possible election swings, it is also necessary to take into consideration the so-called second votes—that is, the replies to the question of for whom the respondents would vote if they had an opportunity to elect two parties or movements. The Democratic Party-Party of Entrepreneurs and Tradesmen [DS-SPZ] bloc, according to the aforementioned FOCUS poll, would win 6.6 percent of second votes; the Democratic Union-National Democratic Party [DU-NDS], 9.0 percent; the Movement for a Democratic Slovakia-Farmers' Party of Slovakia [HZDS-Farmers' Party of Slovakia], 8.9 percent; the Christian Democratic Movement [KDH], 5.2 percent; the Christian Social Union [KSU], 2.9 percent; the Hungarian Civic Party, 3.9 percent; the Hungarian Christian Democratic Movement-Egyutteles, 1.7 percent; the SNS, 12.3 percent; the coalition of left-wing parties (the Party of the Democratic Left [SDL], the Social Democratic Party in Slovakia, the Green Party in Slovakia, and the Farmers' Movement), 13 percent; and the Association of Workers of Slovakia [ZRS], 11 percent. These figures represent the potential by which the individual entities may theoretically increase their current support.

It is equally important to look at to whom the voters of individual parties would give their second vote. Of HZDS voters, 38 percent would give their second vote to the SNS; 15 percent would give it to the ZRS; and 14 percent wouldd give it to the left-wing coalition. Of SNS voters, 39 percent would give their second vote to the HZDS; 15 percent would give it to the ZRS; 14 percent would give it to the DU-NDS; and 12 percent would give it to the SDL. Of ZRS voters, 39 percent would give their second vote to the left-wing coalition; 13 percent would give it to the HZDS; and 12 percent would give it to the SNS. Of left-wing coalition voters, 30 percent would give their second vote to the ZRS; 17 percent would give it to the DU-NDS; and 9.0 percent would give it to the DS-SPZ. DU-NDS voters distributed their second votes as follows: KDH, 21 percent; SDL, 19 percent; DS-SPZ, 14 percent; and SNS, 9.0 percent. KDH voters distributed their second votes as follows: DU-NDS, 20 percent; KSU, 20 percent; SDL, 17 percent; and DS-SPZ, 13 percent. Up to 34 percent of DS-SPZ voters would give their second vote to the DU-NDS; 19 percent to the HZDS; 14 percent to the SDL; 12 percent to the KDH; and 9.0 percent to the ZRS.

As we can see, relations among the political entities are one thing, and the support of their voters is sometimes something completely different. So, although journalists and politicians are thinking about the postelection coalitions that could be formed—for example, by the current governing coalition and its allies, on the one hand, and the HZDS-SNS-ZRS on the other—the voters see the situation slightly differently. More than one-third of the voters of the former grouping would give their second vote to one of the parties in the latter grouping, while, on the other hand, some 40 percent of HZDS-SNS-ZRS voters would give their second vote to one of the parties that forms the governing coalition or are close to it. Therefore, under these circumstances, it is only possible to predict the election results with a considerable margin of error.

ΩChanges in Drug Costs, Pensions

94P21004A

[Editorial Report] The Hungarian media have recently given wide coverage to two developments that are expected to have a direct negative impact on the public, especially pensioners—an increase in the price of imported medicines and a possible reduction in the pension increases planned for September.

The 8 July NEPSZABADSAG reported that on 18 July the price of 515 imported medicines would go up "a further" 4.6 percent. The cause of the increase, according to NEPSZABADSAG, is that "neither wholesalers nor the National Health Insurance Office (OEP) is willing to absorb the effects of the devaluation" of the Hungarian forint, which this year has been devalued 4.6 percent in three stages. The OEP, an independent board that administers the government's health care budget, has run up a 16 billion forint deficit and therefore, declared OEP president Laszlo Sandor, it "does not have any resources to cover any more increases in the price of drugs." Discounting Sandor's explanation, Endre Papp deputy chairman of the National Federation of Private Pharmacists, called it "strange" that the OEP is not willing to absorb the effects of the devaluation and that "no one has made an effort to inform the public" about the developments. People will blame not only the pharmacists but also the new government for the price increase even though neither is responsible for the situation, according to Papp. Indicating that older people would suffer most from the increase, Papp said that "for a long time now" he has had to give pensioners medicines "on credit" until their montly pension arrived. (Announcing the price increase, Duna TV stressed on 18 July that domestic drugs would not be affected.)

Signaling further bad news for pensioners, NEPSZAVA reported on 11 July that the planned 8 percent increase in pensions may not materialize. The Pension Insurance Board, according to the daily, called an "extraordinary meeting" to try to find a "compromise" solution to the pension increase slated for September. The Board had recommended an 8 percent increase but lacks the 32 billion forints necessary to finance it, having already "emptied its own budget" in March when it raised pensions retroactive to January, NEPSZAVA said. Even according to the "most optimistic" estimates, the most the Board would be able to "scrape together" by the end of the year for raising pensions is eight billion forints, and so the remaining portion "would have to be shouldered by the central budget," NEPSZAVA reported. However, according to the daily, incoming finance minister Laszlo Bekesi has declared that the "most the budget can bear" is a 5 percent increase in pensions and that an increase to 8 percent "would have to be taken from nothing." Thus, NEPSZAVA noted, since a still-operative 1975 law "mandates" that pensions be raised proportionately to the increase in wages "even if there are no reserves" in the budget, Hungary's new government "may start off with a violation of the law."

Coalition, Forecasts of SLD 'Collapse' Viewed

WS2207110094 Poznan WPROST in Polish 24 Jul 94 pp 20-21

[Article by Waldemar Leszczynski: "The Coalition Is Cracking; Is the SLD Losing Power?"]

[Text] *"We are being pushed into the 'second string,'" politicians of the Democratic Left Alliance [SLD] have been saying more and more often. It seemed after the September [1993] elections that it was they who were going to be the key players. The SLD leaders were particularly eager to retain influence over the economic ministries. The coalition agreement was also supposed to guarantee Aleksander Kwasniewski coparticipation in making strategic decisions. As time passed, however, the SLD's real influence proved increasingly illusory, while the coalition agreement proved increasingly just a piece of paper.*

First, the SLD had to come to terms with the departure of Marek Borowski from the post of finance minister and deputy prime minister for economic affairs. The rejection by the president of the candidacy of Professor Dariusz Rosati, who was to replace Borowski, was another humiliation for the party (also, the rejection was made easier by the stance of Prime Minister Pawlak, who was not eager to approve of Rosati too soon).

At the same time, Minister Michal Strak (chief of the Office of the Council of Ministers), who is the prime minister's "right-hand man," began the process of filling the posts of local governors largely with activists of the Polish Peasant Party [PSL]. Contrary to the SLD's position, the reforms of powiaty [administrative units] and the commercialization of Bank Gospodarki Zywnosciowej were slowed down, as well.

Right Now, the SLD Has Its "Own" Deputy Prime Minister for Economic Affairs, but It Is Only in a Formal Sense

Many SLD activists are of the view that Deputy Prime Minister Grzegorz Kolodko has been trying to make himself independent of the SLD—of which he is not a member, incidentally—as much as possible. "We are not the ones who will have a deputy prime minister. It is the deputy prime minister who will have us, if he is willing, obviously," says a Sejm deputy for the SLD.

Their coalition partner is keeping the momentum and is attacking Privatization Minister Wieslaw Kaczmarek.

"The awkwardness of the situation is about the fact that Sejm deputies for the PSL are launching a public campaign targeted against a coalition minister. Then they address the prime minister in spectacular fashion concerning the minister's dismissal. Is this any way for a loyal partner to act?" asks Sejm Deputy Jerzy Jaskiernia, and then he responds: "We will not let anybody blackmail us this way."

The Sejm deputies who launched the attack are lead by Bogdan Pek, a Sejm deputy for the PSL and chairman of the Sejm Privatization Commission. Sejm Deputy Pek has had much experience in waging battles in the past: He took part in the besieging of Deputy Prime Minister Borowski this past winter. A draft of the privatization of the tobacco industry became the pretext for the current attack.

"There is much more to the conflict between the PSL Sejm deputies and Minister Wieslaw Kaczmarek than meets the eye," admits Janusz Piechocinski, a Sejm deputy for the PSL. "The conflict is a symptom of our dissatisfaction with the minister's performance. Some of the SLD's activists also express such a view, but for obvious reasons they did not sign Bogdan Pek's petition. You just do not kick the ball into the goal of your own coalition," says Piechocinski.

Well, sometimes you do indeed kick the ball into your own goal. In an attempt to minimize the symptoms of a gradual loss of power, SLD politicians say that conflict situations are found routinely within the coalition and that they are kind of an inherent part of the coalition's philosophy. Of course, this does not mean that they approve of what the Sejm deputies for the PSL have been doing.

"No Mechanisms Have Been Applied for Solving Conflicts Within the Coalition"

...says Jerzy Szmajdzinski, a Sejm deputy for the SLD, and he adds: "Sejm Deputy Pek's initiative—that is, his demand to dismiss Minister Kaczmarek—is proof that Pek does not understand what it means to be a Sejm deputy for a party that is part of the coalition."

Sejm deputies for Waldemar Pawlak's party feel stronger and more efficient than their political partner. "The strike at the coalition" fanned by the chief of the Sejm Privatization Commission produced results very quickly. The chiefs of the Privatization Ministry and the Agriculture Ministry have come to agreement on the formation of an interministerial team, which will be dealing with the draft of the tobacco industry's privatization and which will formulate an opinion on the topic for the Council of Ministers. This is just what Sejm Deputy Pek requested. Given that a finance minister/deputy prime minister fell victim before, by the same token, we can have the privatization minister do the same thing now.

Aleksander Kwasniewski stressed in an interview that the SLD will remain in the coalition as long as it implements responsible economic policies, with the SLD having a say in the decisions the coalition will make. Lengthy battles for Grzegorz Kolodko, even though they ended in success, absorbed a lot of SLD politicians' attention. The defense of Minister Kaczmarek will most probably have to be as intensive as the efforts to push through the candidacy of the finance minister/deputy prime minister for economic affairs. This is even more so because it is the PSL that made efforts—futile up to

now, at least—during the establishment of the coalition to take control over the ministry that is now the subject of criticism.

"It is understandable," politicians say, "that a party that 'has the prime minister' is in a better position." "Actually," says Sejm Deputy Jerzy Jaskiernia...

..."The PSL Is Performing the Most Important Role in the Government"

"We have conducted a division of responsibilities," reminds Sejm Deputy Jerzy Szmajdzinski, "and we must keep that in mind constantly."

"If I were to list 10 items the PSL gained in this coalition at the SLD's expense, then, by the same token, I could list as easily or even more easily 10 items when the situation was the opposite," Sejm Deputy Janusz Piechocinski [of the PSL] says in defense of his party.

SLD activists attach enormous weight to the "Strategy for Poland" program, which is regarded as the party's economic platform. The SLD's political existence depends on whether "Strategy" proves successful. In the meantime, the ability to maintain the positions gained in the past may be weakened because of the SLD's internal incoherency.

"One must frankly admit that problems are incomparably less significant when one is in the opposition. Then our diversity, which is the contribution of trade unions to a large extent, could be of help. It is much more difficult, however, to cooperate with trade unions when one is in power because one must take realities into account and keep in mind the expectations of various groups that make up the SLD," says Sejm Deputy Jerzy Szmajdzinski. "So the politics in which we are engaging are a 'middle of the road' approach."

Unfortunately, however, such policies do not satisfy everyone.

Participants of the Third National Convention of Social Democracy of the Polish Republic Were Very Critical of the Party Leadership

Many delegates were outspoken on the issue of the loss of confidence by the electorate in the SLD, which has been making too many far-reaching compromises. "The results of the self-governmental elections do not confirm such a diagnosis," Jerzy Szmajdzinski says in defense of himself. "Those who thought the elections were going to weaken our position are disappointed now."

Seeking alternatives for the future, with the elections making it possible to make the next step in that direction, is of particular importance to the SLD. The relinquishing by the SLD of the posts of mayors in towns and of the chairmen of local councils to Freedom Union activists is a very clear sign of that next step. If one were to believe unofficial reports, a few months ago two groups of SLD members, on their own and despite one another, addressed several experts with a question concerning forecasts for the SLD in the next few years.

All Experts Responded the Same Way: The SLD Is Doomed To Collapse

According to their scenario of events, over the next two or three years, a conservative group will emerge from the party, as well as a group of liberal social democrats. Chief SLD politicians are currently doing everything in their power to delay for as long as possible such a formulation of trends within the party. The process is being slowed down primarily because of the coming presidential elections. So it looks as if the PSL's expansion into the economic ministries could possibly prove a lifesaver for the maintenance of unity. None of the wings of the SLD has any intention of making it easier for a situation to occur under which the "city" electorate will be deprived of its representatives in the government, apart from Labor and Social Policy Minister Leszek Miller.

Allegations of Privatization Slowdown Examined

WS2107134994 Warsaw ZYCIE WARSZAWY in Polish 21 Jul 94 p 10

[Article by Jerzy Krajewski: "Privatization—A 'Stop' Sign?; Prime Minister Pawlak Is Procrastinating on the Implementation of a Program Being Prepared by One of His Own Ministers"]

[Text] *President Lech Walesa is concerned over delays in the implementation of the Popular Privatization Program [PPP]. Deputy Prime Minister Kolodko is trying to calm things down by saying that Prime Minister Pawlak is not blocking the PPP. The Freedom Union [UW] is accusing the governing coalition of abusing power for the purpose of "booty sharing" in the economy.*

The PPP's fate remains murky. Prime Minister Waldemar Pawlak has so far not signed the third part of the program pertaining to over 100 state enterprises whose shares or participations were to be brought into investment funds. The prime minister has been dragging his feet regarding the signature for almost two months now.

Walesa Concerned, Kaczmarek on Vacation

President Lech Walesa, before leaving for Bulgaria and Turkey, expressed his concern over prospects of further delays in the PPP.

Privatization Minister Wieslaw Kaczmarek is on vacation in the Mazury district, so his views are not known. In an interview with ZYCIE WARSZAWY a month ago, however, he did say that distribution of PPP participation certificates, which will be available to all Polish people at a nominal cost, will begin at the end of this year or the beginning of next, at the latest.

The delay in the implementation of the third stage should theoretically not cause a delay in the implementation of the entire PPP because the introduction of partnerships into the National Investment Funds is

being planned for fall. In practical terms, however, the delay causes a reduction in the time required for transforming state-owned enterprises into Treasury-owned joint-stock companies. The Privatization Ministry was planning for the funds to be set up as early as July or August.

UW Warns

Yesterday, UW representatives spoke in critical terms of the government's measures in ownership transformations: "It is not enough to be a privatization harvester by signing contracts that had been prepared earlier; one must also sow the seeds and look for new opportunities for ownership transformations that will bear fruit in the future," the previous Privatization Minister, Janusz Lewandowski (currently a member of the UW Presidium), told reporters yesterday.

In his view, it was a mistake to place more emphasis on managing state wealth than on privatization in the "Strategy for Poland" program and that is because there is no proof that commercialization itself contributes to increased efficiency by enterprises. "What is more important is that the state-owned sector of the economy be gradually decreased rather than the functioning of the state in the area be improved," Lewandowski said.

In Lewandowski's view, privatization and the way state wealth has been managed, is increasingly becoming an area of "booty sharing" within the coalition. Despite the lack of outside obstacles in the form of a strong opposition, those in power, who have the upper hand in determining the rate of privatization, are fighting one another.

This is demonstrated, among other things, by another slowdown of the PPP, which coincided with a conflict surrounding Minister Kaczmarek, whose dismissal was demanded by a group of Sejm deputies for the Polish Peasant Party [PSL] or a "coup" against the chief of the powerful CIECH Foreign Trade Center. PSL men are experts in those areas that are under PSL ministers, while people associated with the Democratic Left Alliance make careers and business deals in those sectors of the economy that are under their own ministers.

Kolodko Says: The Prime Minister Will Consent

Lewandowski has doubts about whether the prime minister will decide to sign the decision concerning the third segment of enterprises qualified into the PPP. According to Jerzy Osiatynski, UW national secretary for economic issues, the list will be signed in the end, but, generally speaking, the PPP is being slowed down on the pretext of making improvements to it. Actually, a fourth and fifth stage of popular privatization should be formulated right now.

Lewandowski noted that the rate of capital privatization was slowed down by half, compared with the three quarters of Suchocka's rule. The "I don't want to, but I must" style predominates in the area. In fact, however, according to Lewandowski, structural changes leading up to a reduction of state intervention in the economy continue to be the most important issue.

Deputy Prime Minister Grzegorz Kolodko expressed a different view while speaking to SZTANDAR MLODYCH: "Over the first half of this year, the Privatization Ministry secured real revenue for the state budget that was on a much larger scale than what happened in the first half of 1993, when Janusz Lewandowski was in charge of the ministry," Kolodko said.

He described Minister Kaczmarek as the "Stachanov" [reference to acknowledged Soviet "competitor of labor"] of privatization. Kolodko thinks that, after a debate to take place at the government's session next Tuesday, all of the necessary aspects of the third stage will be known, and the prime minister will refer the issue for implementation.

UOP Seizes Over 7 Tonnes of Drugs in 1993

LD2107151394 Warsaw Radio Warszawa Network in Polish 1005 GMT 21 Jul 94

[Text] [Unidentified Announcer] The State Protection Office [UOP] believes that the introduction of criminal liability for possession of drugs would make the struggle against drug addiction in our country easier. The deputy director of the UOP Investigations Directorate has told the Polish Radio First Program that an interdepartmental commission, which is proposing the introduction of criminal liability for possession of even small amounts of drugs, has been working for three months now.

The UOP officer explained that, at present, the law instructs the customs services, when warned in advance about attempted drug smuggling, to stop the smuggled shipment at the border. This makes it possible for law-enforcement bodies to monitor the shipment and arrest the recipients. Only the couriers are detained at the border.

According to the UOP counterintelligence service, there are permanent drug routes passing through Poland. In January of this year, 517 kg of cocaine belonging to the Colombian Cali cartel was seized. Drug trade money is used for setting up organized crime groups in our country.

[Unidentified correspondent] According to German services, drugs manufactured in Poland constitute about 20-25 percent of all drugs smuggled into Germany.

In 1993, 17 attempts to smuggle drugs across Polish territory were uncovered because, as well as being a drug-manufacturing territory, Poland is also an important transit country on drug-shipment routes. More than seven tonnes of drugs were seized during these smuggling attempts uncovered by UOP. A whole host of threats follows from these, connected with investments in Poland of capital of dubious origin and also with such capital inspiring forms of organized crime.

[Announcer] Since the beginning of 1993, the State Protection Office started 100 investigations into economic crimes. According to the deputy director of the UOP Investigations Directorate, the number of major economic crimes in Poland grows every year by nearly 30 percent.

The State Protection Office is involved in economic crimes because these crimes relate in a significant way to the security of the state in the field of its economy, the security of its financial system, its banking system, or, finally, the economic system of the state. These crimes are significant as far as this system is concerned because of the enormous amounts of losses in these cases and, second, because they significantly strike at state structures.

We have had 107 economic cases at the State Protection Office. These proceedings involved nearly 5 trillion zlotys [Z], of which the State Protection Office managed to recover more than $4 million and nearly Z300 billion. To a large extent, these were cases connected with banking operations or with ownership transformations.

Iliescu Undergoes 'Routine Medical Checkup'

AU2107193294 Bucharest Radio Romania Network in Romanian 1900 GMT 21 Jul 94

[Text] A press communique issued by the Romanian Presidency announces that yesterday, 20 July, President Ion Iliescu was admitted to Elias hospital for a routine medical checkup. Despite various rumors currently in circulation, the Romanian president's state of health is very good—the press communique reads.

PAC, PNL Establish Alliance Within CDR

AU2107125294 Bucharest Radio Romania Network in Romanian 1000 GMT 21 Jul 94

[Text] During a festivity organized this morning at the Intercontinental Hotel in Bucharest, the signing of the protocol on the setting up of the Civic-Liberal Alliance called The Liberals took place. The new alliance was founded by the Civic Alliance Party [PAC] and the national liberal Party [PNL].

The protocol says that the alliance is intended to unify the liberal movements of Romania with the goal of achieving unity in the action of the member parties, and that its political activity will be carried out within the Democratic Convention of Romania [CDR].

The new alliance, which is open to all the parties wishing to observe the protocol, is centrally led by a national coordination committee consisting of the chairmen and deputy chairmen of the member political parties, as well as two other members of the central leadership of each party.

The political parties that are members of the alliance maintain their identity, [word indistinct], and their juridical personality.

The protocol was signed, on behalf of the PAC, by Nicolae Manolescu, party chairman, and Dan Capatana and Eugen Vasiloiu, deputy chairmen; on behalf of the PNL by Mircea Ionescu-Quintus, party chairman, Calin Popescu-Tariceanu, deputy chairman, and Crin Halaicu, general secretary.

In a communique related to the signing of the protocol on the setting up of the Civic-Liberal Alliance, the members of which, for the time being, are the PAC and the PNL, the steering committee of the National Liberal Party-Democratic Convention [PNL-CD] announces that after having examined the issue of setting up that alliance, they decided the following with a majority of votes, quote: We will sign the protocol on the establishment of the desired liberal alliance after our suggestions related to the contents of the protocol have been taken into consideration and after the PNL-CD steering committee has sanctioned the protocol; by unanimous vote the PNL-CD steering body decides to continue to engage in interliberal talks intended to improve the protocol of the liberal alliance; in conclusion, PNL-CD firmly abides by the concept elaborated in the early stage of the inter-liberal negotiations, namely to sign any unification protocol only after the PNL joins the CDR, a principle which PNL-CD will continue to fully abide by, pledging, at the same time, to make sustained efforts to speed up the admission of the PNL to the CDR, unquote.

The aforementioned communique, which we received this morning, is signed, in the name of the PNL-CD Steering Bureau, by Nicolae Cerveni, the chairman of the party.

Izetbegovic Replies to Bosnian Serb Decision

LD2107224094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 21 Jul 94

[Statement by Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency; place and date not given—recorded]

[Text] What happened in Geneva—and I mean the reply by Karadzic's Serbs—was not unexpected to us. As we said many times before, we believed in a negative reply, and that is exactly what happened. True, the Serb response begins with a yes, but with the addition of a whole series of conditions and reservations. But this is both a formal and genuine rejection of the plan. This only goes to show that the Serb yes was obviously not a yes to this plan—perhaps to some other plan, but that is completely different from the plan offered and is not a matter of discussion.

It is evident that by doing this, the Serbs wanted to confuse the international community, but things are so clear that they can only confuse those who wish or agree to be confused. Everyone else can see that the Serbs have unequivocally rejected the plan with their reply.

What are we to do in such a situation? We have several options, but I will only mention these: The first is to demand of the Contact Group—the five big powers, America, Britain, France, Germany, and Russia—to meet its obligations stemming from the rejection of the peace plan by the Serb side. This would involve three measures: tightening the sanctions against Serbia, stepping up and expanding the protection of these zones [as heard], and putting the decision on lifting the embargo on arms sales to Bosnia-Herzegovina on the agenda.

We shall not miss the opportunity to remind the Contact Group of these obligations and secure their implementation. I said remind, because the international community tends to become forgetful when it comes to such obligations. We should also recall that it will be two years in August since the end of the London conference, and the results are what they are.

The second option at our disposal is to withdraw our consent, if this does not go without saying already. They have rejected the proposal, the [word indistinct] is no longer valid, the situation remains the same: difficult and unchanged.

I ask myself whether we made a mistake in this case, whether our positive reply was a good thing. Yes, yes, that was a good reply because by opting for peace, we scored all these political points, and they lost them.

In any case, our unconditional consent is no longer valid. Analyses show that our side should have replied with a yes in all cases. Depending on who is against and who in favor, the rewards of a positive reply could have been greater. But in any case, a positive effect has been achieved: namely, if we had given a negative reply, the situation would have been the opposite for us in relation to the Serbs.

I must admit that the situation remains difficult, but this is a result of the aggression and the [indistinct] international factors and objective circumstances, but this has nothing to do with our reply. It is what it is. I believe it was well chosen. All other eventualities that might crop up will be dealt with by our army. [end recording]

Ganic on Serbian Response

AU2107120494 Vienna Oesterreich Eins Radio Network in German 1000 GMT 21 Jul 94

[Report by Elise Wasch on news conference by Ejup Ganic, vice president of the Bosnia-Herzegovina Federation, in Vienna on 21 July—recorded; Ganic statements in English with superimposed German translation]

[Text] Ejup Ganic, vice president of the Muslim-Croat Federation, came directly from Geneva to Vienna to discuss the new situation with Foreign Minister Alois Mock. The Bosnian Serbs rejected the latest international peace plan in Geneva. They did not exactly reject it, but they placed so many conditions on its acceptance that the answer was finally assessed as a no. However, the parliament of the Muslim-Croat Federation in Bosnia accepted the plan of a division that grants about half of the territory to each of the two parties to the conflict. After the rejection by the Serbs, the Croats and Muslims are placing all their hopes on the international community, Vice President Ejup Ganic says.

[Begin Ganic recording] And now the international community is to act. It has to fulfill its resolutions and keep its promises. We hope that we will be a concern of the international community, which will be translated into some specific actions to stop this aggression. [end recording]

In concrete terms, the Muslim-Croat Federation is hoping that the integrity of the borders of Bosnia-Herzegovina will be monitored in the future and that the UN arms embargo against the Muslims will be finally lifted.

Vice President Ganic commented on it:

[Begin Ganic recording] The aggressors are telling us straight to our face: We have arms, you do not. Thus, why should we negotiate with you when you do not have arms? [end recording]

The call for the lifting of the arms embargo is also supported by Austria. By the end of the month, the United States, Russia, and the European Union, which developed the latest plan for a division, will discuss sanctions against the Serbs. They will also try to change the Serbs' minds once more. However, the war will now flare up anew, something that is also feared by Ejup Ganic.

[Begin Ganic recording] We are waiting for the Serbs to intensify the ethnic cleansing and the provocations. However, we hope that the international community will respond to this. [end recording]

Silajdzic on Peace Plan

LD2107142894 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 21 Jul 94

[Text] Coming up is what Prime Minister Haris Silajdzic told us in Zagreb today about the negotiations.

[Begin Silajdzic recording] Yesterday, our delegation told the contact group about the decision by the parliament of the Republic of Bosnia-Herzegovina. It responded to the contact group's proposal with an unambiguous—Yes. In other words, no conditions were attached. The contact group's plan was accepted; although, the parliament as a whole regarded the territorial arrangements as unjust. What tipped the balance was the fact that the international community once again firmly backed the territorial integrity of the Republic of Bosnia-Herzegovina within its recognized borders, its sovereignty, and its international position. Hence, this tipped the balance, so parliament unconditionally accepted the contact group's plan despite its view that the territorial arrangements are not just.

We learned yesterday, however, that the aggressor side rejected this plan. Consequently, a meeting of the contact group at the ministerial level is to take place on 30 July in Geneva. It will be decided there what measures the international community is going to take as regards the side which has said No. In this case, this is the aggressor side. [end recording]

Let us add that at Zagreb airport Mate Granic, minister for foreign affairs of the Republic of Croatia, is talking to a delegation of the Republic and Federation of Bosnia-Herzegovina. They are expected to make statements later on.

Zubak Comments

LD2107162894 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 21 Jul 94

[Text] Mate Granic, foreign minister of the Republic of Croatia, has held talks at Zagreb airport with the delegation of the Bosnia-Herzegovina Federation on its way back from Geneva where they discussed the resolution of the crisis in Bosnia-Herzegovina with the international mediators. Before the meeting, Kresimir Zubak and Mate Granic told Croatian Radio:

[Begin Zubak recording] As you already know, one side said yes unconditionally, while the other said no. What is left now is for the contact group's member-states—charged with preparing the peace plan for Bosnia-Herzegovina—to prove how principled they are, how unanimous they are, how decisive and consistent they are in what they have been telling us, and they have been saying that they will take energetic measures against the side that rejects the peace proposal. It is now up to us to find out just how consistent they will be in what they have been telling and promising us. [end recording]

[Begin Granic recording] The Republic of Croatia is attentively scrutinizing developments in Geneva. President Tudjman's special envoy, Ambassador Miomir Zuzul, was there too.

We firmly support the stands expounded by the Bosnia-Herzegovina delegation and we will do everything, in the spirit of the Brioni Declaration, to implement all the provisions of the Washington agreements as soon as possible, especially those concerning the creation of the federation and the future confederation. The next step will be for EU Administrator Hans Koschnick to take over his duties in Mostar, and I believe we shall have the opportunity to meet and talk there as well. [end recording]

UN's Stoltenberg Fears Escalation of War

LD2107181894 Belgrade TANJUG in English 1749 GMT 21 Jul 94

["Pool" item]

[Text] Belgrade, July 21 (TANJUG)—United Nations Mediator Thorvald Stoltenberg said Thursday he feared an escalation of the civil war in Bosnia-Herzegovina. Speaking for Norwegian Radio, Stoltenberg said the decisive thing now was to see how the five Contact Group members would react to the Bosnian Serb response to their peace plan for Bosnia.

The Bosnian Serb parliament on Tuesday adopted a declaration saying that the parliament was unable to reach a decision on the plan because it was vague on some key points. The declaration recommended that negotiations continue on the Bosnia division map proposed by the Contact Group. Asked whether he feared that the Contact Group might split on the issue of the Serb response, Stoltenberg said he was much more concerned about what was to be done in coming days or weeks about the questions the Bosnian Serbs had raised.

The Bosnian Serbs said that further clarification was needed on the issues of constitutional arrangements, the status of Sarajevo and access to the Adriatic Sea. Stoltenberg said that the Bosnian Serbs wanted the questions answered before they gave a final reply and that what could be done in those areas could be decisive. He also said that the danger of escalation was clearly present if one went so far as to lift the weapons embargo.

"That could lead to the U.N. withdrawing its forces to avoid becoming a partner in the struggle," Stoltenberg explained.

At its meeting in Geneva in early July, the Contact Group threatened Bosnia's warring sides with punitive measures if they failed to comply with the proposed plan.

In the case of a Serb rejection, this would mean exempting the Moslems from the U.N. arms embargo for all of former Yugoslavia which came into force in the Autumn of 1991.

Croatian Forces Withdrawing From Mostar

LD2107183794 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 21 Jul 94

[Text] Several meetings were held in Mostar today, prior to the inauguration of Hans Koschnick on Saturday [23 July] as the European Union's [EU] administrator there. Zdenko Vranjes reports.

[Vranjes] Representatives of the Bosnian Croat authorities in Mostar today informed EU officials that the Croat side had completed almost all preparations for the beginning of the administration of Hans Koschnick and the EU over Mostar on Saturday.

The HVO [Croatian Defense Council] has already moved 80 percent of its military potential from the part of Mostar under EU control. Demilitarization by the Croat side will be completed by midnight on 22 July, the command of the HVO's Mostar operational zone has announced.

The demilitarization of the eastern part of Mostar, that is, the relocation of the Bosnia-Herzegovina Army's potential from two major barracks, munitions depots, and headquarters, was supposed to commence at noon today.

As of midnight tomorrow—when the deadline for the demilitarization of Mostar expires—it will be prohibited for anyone to move around the town in military uniform, military vehicles, or vehicles bearing military license plates, while arms will only be carried by members of the civilian police and the EU police force.

Valentin Coric, the interior minister of the Croat Republic of Herceg-Bosna, who is also the head of the command for demilitarization, declared that the Herceg-Bosna police today assumed full responsibility for the security situation in west Mostar, and that it is now guaranteeing safety to all citizens in this part of town.

Mijo Brajkovic, the mayor of west Mostar, has said he would propose to Koschnick on Saturday that—due to the still open wounds of war—Mostar be organized into two municipalities, the Muslim and the Croat, and that the European administration coordinate the work of the authorities in these municipalities and oversee the overall situation in Mostar.

TANJUG: Muslims Firing on Relief Flights

LD2107162194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1534 GMT 21 Jul 94

[Text] Sarajevo, 21 Jul (TANJUG)—Muslim forces this morning opened small arms fire at two transport planes delivering humanitarian aid to Sarajevo airport, the command of the Ilidza Brigade of the Bosnian Serb republic's army announced today. The fire came from the direction of Butmir and the locality of the former Igman construction company, as well as from Muslim positions in the area of Stup. Air traffic has again been suspended at Sarajevo airport today due to these activities. Muslim formations again opened sniper fire at the Ilidza defense lines today, but luckily no one was hurt.

Rebel Muslims Regain Territory From Army

LD2207092394 Belgrade TANJUG Domestic Service in Serbo-Croatian 0842 GMT 22 Jul 94

[Text] Petrovac, 22 Jul (TANJUG)—Forces of the People's Defense of the Autonomous Province of Western Bosnia last night and this morning liberated a sizeable part of the territories that were taken by the 5th Corps of the so-called Bosnia-Herzegovina army, Velkaton Radio from Velika Kladusa reported today.

According to its reports, the areas of Krivaje, Musici, Hajdinovici, Gornji Purici, and Donji Purici were liberated, as well as some important hills.

Media loyal to the Sarajevo government have not reported anything about the inter-Muslim fighting in the Cazin Krajina for two days.

Serbs Continue Firing on Sarajevo, Olovo, Brcko

AU2207091594

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 22 Jul carries in its regular six-minute newscast three reports on various combat activities in the republic.

An unidentified correspondent from Olovo reports that "after shelling the defense lines overnight, the aggressor this morning at 0500 used howitzers to shell Olovo and the surrounding suburbs from Ikaric Brdo. This caused immense material damage, but there were no casualties."

Brcko correspondent Hamid Deronjic reports that "the Serbian aggressor on the Brcko front continues his provocations. The Chetniks from [name indistinct] Suma used Broving and machine guns to fire on our positions. The central part of the Brcko front was exposed to [word indistinct] from 60-mm mortars and portable rocket launchers. Our positions in Vranovaca were particularly targeted by Chetniks from Cadjavac, who used 60-mm and 82-mm mortars, antiaircraft guns, and antiaircraft machine guns. This went on until 2200 [21 Jul], after which the aggressor proceeded with small arms' provocations and continued regrouping equipment on the central part of the front."

The studio announcer cites a report by the 1st Corps Press Center that "the morning hours in Sarajevo are relatively quiet, without any significant combat activity. However, on the other fronts in the 1st Corps theater of

operations—outside the exclusion zone—the enemy continues his usual provocations. In the 2d and 3d Operative Groups' theater of operations, in addition to intense antiaircraft and small arms' provocations—particularly on the Vares-[name indistinct] front—the aggressor is using artillery to pound defensive positions and residential areas."

U.S. Gen. Galvin Visits Army, Croatian Forces

LD2207001094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 21 Jul 94

[Text] Following his two-day visit to Bosnia-Herzegovina—during the course of which he met several units and commanding bodies of the Army of the Republic of Bosnia-Herzegovina and talked to the members of the supreme command of the Army of Bosnia-Herzegovina and the main headquarters of the Croatian Defense Council [HVO]—General Galvin, President Clinton's special military envoy, and his aides talked to Army Gen. Rasim Delic and Brigadiers Divjak and Hajrulahovic. During the course of their talks, Gen. Galvin talked about his impressions and his meetings with representatives of the Army of the Republic of Bosnia-Herzegovina and the HVO.

He stressed that he was satisfied with the implementation of the military agreements between the Army of Bosnia-Herzegovina and the HVO.

Gen Galvin stressed following his two-day visit to Bosnia-Herzegovina: Following my meeting with Generals Sabic, Alagic, and [name indistinct], members of the supreme command, with HVO commanders Filipovic and Lasic, as well as with representatives of the main HVO headquarters, my aides and I are convinced that the process that was initiated between the Army of the Republic of Bosnia-Herzegovina and the HVO in the wake of the Split agreement has a future and is a sound basis for the coexistence of Bosniaks and Croats. Gen. [name indistinct] expressed his regard and the gratitude of the members of the Army of the Republic of Bosnia-Herzegovina to Gen. Galvin and his aides for visiting Bosnia-Herzegovina and particularly for visiting units and commanding bodies of the Army of Bosnia-Herzegovina.

German Mark Decreed Official Bosnian Currency

94P21005A Maribor VECER in Slovene 11 Jul 94 p 2

[Article by Dobrota Losic: "Mark Official Currency"]

[Excerpt] [Passage omitted] Recently the Bosnia-Herzegovina Presidency issued a decree establishing the German mark as an official currency in the country alongside the Bosnia-Herzegovina dinar, which was devalued by removing four zeros [as published]. The dinar is used to pay utility bills. The decree will adversely affect those people who do not possess the foreign currency, i.e., the majority of the population. Wages are minimal—less than one German mark, which is worth 2 million B-H dinars. Some people have to work several months to earn this amount. [passage omitted]

Akashi Statement on UN Role; Refugee Blockade

LD2107203694 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 21 Jul 94

[Statement by Yasushi Akashi, special envoy of the UN secretary general, to reporters on the role of the UN Protection Force, on 21 July; place not given; in English with superimposed Serbo-Croatian translation—recorded]

[Text] I welcome this opportunity to speak to you about the UN Protection Force [UNPROFOR] and its work. We have accomplished important results since UNPROFOR's deployment in the Republic of Croatia, but we have also encountered obstacles in performing parts of our mission. This fact has, of course, caused frustration and dissatisfaction among the Croatian people. We share their sentiments and are trying as best we can to effect progress based on our common aspirations.

After arriving in Croatia, at your request and in line with the UN Security Council mandate, UNPROFOR managed to bring about the withdrawal of the Yugoslav People's Army from Croatian territory although the demilitarization of the UN Protected Areas [UNPA's] and the return of refugees were not possible. Despite all our efforts to achieve progress in this regard, the large-scale conflict continued, many people lost their lives, and a general cease-fire agreement was signed here in Zagreb as late as 29 March this year.

The cease-fire agreement was an important accomplishment, and it brought the open conflict to an end. Thanks to our diligent work and endeavors, we succeeded by the month of May in achieving almost total respect for the agreement and we anticipated with optimism that foundations could be laid for the holding of economic and political negotiations in the peaceful conditions prevalent at the time.

Unfortunately, the economic negotiations never took place. The preservation of the cease-fire became UNPROFOR's primary task at the time when the representatives of the international conference on former Yugoslavia continued with their efforts toward progress. These representatives and UNPROFOR are now again trying to bring about the continuation of the talks—something I welcome—in the hope that they will be successful.

The implementation of the cease-fire agreement has been successful until recently. This has been a much tougher task than people commonly believe. Incidents were not frequent, so the UN civilian police could carry out more than 1,300 patrols in the exclusion zone.

Our military units started the difficult and dangerous task of clearing mines. Four of our soldiers have lost their lives while performing these duties over the past month; since UNPROFOR's deployment here 114 of them have been wounded in mine-clearing operations.

UNPROFOR has been actively encouraging local negotiations on the improvement of economic conditions, and has been trying to renew and ameliorate vitally important facilities for supplying water and electricity. It has been closely collaborating with the UN High Commissioner for Refugees in an effort to plan the return of refugees to their homes as soon as possible.

We have tried to make progress, but progress is difficult. However, I must point out that UN agencies helped thousands of people return to their homes in various parts of Croatia. I share the impatience caused by the fact that more has not been done, as well as the frustration felt by tens of thousands of other refugees whose safe and dignified return has not yet been secured.

I wish to stress that UNPROFOR is not here to maintain the status quo; we are working for progress. For istance, all problems related to refugees are the responsibility of the UN High Commissioner for Refugees.

I have issued orders to UNPROFOR units in the UNPA to carry out security checks in the villages in the exclusion zone, especially regarding mines, and to submit reports on the safety of houses in these areas as the first step in the implementation of a pilot project for the possible return, if conditions permit.

Of course, we must ensure that these returns proceed in safe and dignified conditions.

As of 1 July, the protests staged by the refugee associations have blocked all the checkpoints on the roads leading to the UNPA. I must confess that this blockade is obstructing us in performing our duties. It is also damaging Croatia's reputation in the world, and is in fact postponing the return of the refugees by heightening tensions and eroding our ability to further secure the peaceful conditions achieved by the signing of the cease-fire agreement.

UNPROFOR is here at Croatia's request. By making this request, Croatia had assumed certain obligations toward the UN Security Council and the international community. Thirty-five countries have responded to your request and dispatched their units and equipment to help you. They cannot comprehend why their sons and daughters are being denied food and supplies and why they are being abused in spite of their peace-loving intentions.

I am aware of the criticism levelled at UNPROFOR in relation to the delivery of humanitarian aid. I wish to say resolutely that UNPROFOR and other UN agencies are working in line with generally accepted principles in their distribution of humanitarian aid. I can assure you that we are acting in conformity with the strictest guidelines in this respect.

I would also wish to assure you that I am studying the accusations about irregularities in UNPROFOR's work with utmost seriousness. A complete list of these irregularities has been forwarded to the UN forces' general

inspector, with the aim of conducting a swift and thorough investigation. All proven cases of UNPROFOR's violations will be subjected to strict disciplinary measures. But I must remind you that, until the investigation is concluded, all these cases are considered to be unfounded accusations.

Let me conclude: UNPROFOR has accomplished some important results, but not everything we could have wished for. The return of refugees has the highest priority, and we are constantly working to create conditions that could make this possible. We are carefully examining our new pilot project; in order for us to attain this objective and the tasks you have set us—and which the international community had approved at such a cost—we need your assistance.

Government Urges Refugees To Lift UN Blockade

LD2107173794 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 21 Jul 94

[Excerpt] The Croatian Government understands the justified discontent felt by refugees. It nevertheless calls on them to lift their blockade of roads—at least gradually—because the consequences for Croatia, as regards international public opinion, of continuing the blockade might outweigh its benefits. This is the message sent from today's Croatian Government session. Jasenka Dudic reports.

[Dudic] The Croatian Government is demanding of the UN Protection Force [UNPROFOR] that it make a statement, as promised, on the implementation of its mandate. The government is also demanding that the amount of goods UNPROFOR is buying and transporting to the so-called Krajinas should be checked. It expects UNPROFOR to reply to Croatia's proposal about the status of its forces whereby compensation fees will be regulated for flightpaths used by its aircraft, and its use of roads, bridges, and other economic facilites. Speaking about refugees, Prime Minister Valentic said:

[Begin Valentic recording] We understand these problems. We understand the discontent felt by the refugees. It is totally justifiable. We must enable UNPROFOR to carry out its mandate. All major factors in Croatia, including the president of the republic, the Croatian Assembly, and the government, evidently share the same view on the problem of refugees. [end recording] [passage omitted]

Perry To Meet Croatian Officials, Silajdzic

LD2207092094 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 22 Jul 94

[Text] U.S. Defense Secretary William Perry will visit Zagreb today at the end of his European tour, and leave for Washington from Aviano, Italy.

He is to meet Mate Granic, Croatian deputy prime minister and foreign minister, and Defense Minister Gojko Susak in Zagreb. Since he will not be able to travel to Herzeg-Bosna as planned, due to the closure of Sarajevo airport yesterday, William Perry will hold talks with Bosnian Prime Minister Haris Silajdzic in Zagreb.

He will also meet Yasushi Akashi, the UN secretary general's special envoy, and General Bertrand de Lapresle, the UN Protection Force UNPROFOR military commander in Zagreb. He is also to visit U.S. soldiers serving with UNPROFOR at Pleso military hospital.

Krajina Serb Forces Expect 'Fresh Aggression'

LD2107171794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1616 GMT 21 Jul 94

[Text] Knin, 21 Jul (TANJUG)—The Supreme Defense Council of the republic of Serb Krajina [RSK] held a session in Knin today and assessed that realistic indications exist that Croatia is preparing for fresh aggression against the RSK, the information service of the president of the republic announced today.

It was concluded at the session that the measures taken to strengthen the defense system should still have absolute priority, and that one of the most important tasks is to completely satisfy the fighters' material needs as well as to step up security in the republic's border areas.

Analyzing the security system, the members of the Supreme Defense Council noted that significant progress has been made over the past couple of months in the transformation of the RSK armed forces, which ensures their readiness to efficiently counter any attempts at aggression.

The Supreme Defense Council assessed that internal security is at a satisfactory level and that the incidence of crime is on the wane.

According to the statement, based on the strategic importance of the information and communications system in wartime, the members of the Supreme Defense Council established a series of measures aimed at ensuring its efficient operation, rational exploitation, and qualitative maintenance.

Martic: Krajina Has 'Proof' of Genocide

LD2107185894 Belgrade TANJUG in English 1716 GMT 21 Jul 94

["Pool" item]

[Text] Knin, July 21 (TANJUG)—Republic of Serb Krajina president Milan Martic said Thursday that Krajina authorities had proof that Croatia was destroying evidence of genocide against Serbs. Krajina officials say that from October 1991 to early March 1992, Croatian special police killed 2,500 Serbs in one region of western Slavonia alone.

An investigation into the massacre in the Pakra river valley about 100 km east of Zagreb was suspended two

years ago in what the Croatian weekly [word indistinct] TRIBUNE called the biggest disgrace in the history of Croatia's judiciary.

Martic complained to the United Nations Security Council about the massacre after Croatia renewed a request for an investigation into a massacre of Croatians that Zagreb says took place near Vukovar in eastern Slavonia in the fall of 1991. He said Krajina and U.N. investigators had an agreement that mass graves in western Slavonia should also be investigated by U.N. experts.

Martic said a U.N. investigation of graves in western Slavonia was suspended in late 1993 with the "cynical and arrogant explanation that the investigators found the remains of only 19 bodies in abandoned army trenches." Martic suggested to the Security Council that it set up a new team of experts who would investigate all reports of mass graves in the former Yugoslavia.

Prisoners To Be Exchanged With Serb Krajina

LD2107120994 Belgrade TANJUG in English 1130 GMT 21 Jul 94

[Text] Knin, Serb Krajina, July 21 (TANJUG)—The republic of Serb Krajina and Croatia have agreed to exchange 16 prisoners, Serb Krajina's exchange committee chairman Sava Strbac said Thursday.

The number to be exchanged includes all those arrested in the buffer zone between the two sides, Strbac added.

Strbac said the exchange would probably take place on August 5, under an agreement reached late Wednesday at a meeting with the Croatian Exchange Committe at the Zemunik border crossing, near the Croatian Adriatic town of Zadar.

The meeting was also attended by chairmen of the Bosnian Serb republic and the Bosnian Croat republic of Herceg-Bosna exchange committees and by about 20 representatives of international organizations.

Strbac said the meeting focused on the issues of prisoners, missing persons and the transportation of bodies of those killed in all four lands that have proclaimed independence after the disintegration of the former Yugoslav Federation.

The committees agreed to exert their influence on the authorities in the zones of separation to stop arresting civilians or stray persons, he said.

The exchange of 8 prisoners of each side will include 6 Serb civilians whom Croatian authorities arrested on July 4 in the buffer zone near the village of Islam Grcki in southern Serb Krajina.

The Republic of Serb Krajina was proclaimed in 1991 in the Serb ancestral lands in Croatia after Croatia violently seceded from former Yugoslavia and removed the Serb national rights from its constitution.

Russian Antimissile System Allegedly Deployed

AU2107191594 Belgrade POLITIKA in Serbo-Croatian 21 Jul 94 p 7

[Report by Miroslav Lazanski: "Secret Purchase of 'Russian Patriots' for Defense of Zagreb"—all names of weapons systems as published]

[Text] According to the alleged findings of Russian intelligence sources, Croatia has secretly purchased the antimissile system S-300 from Ukraine and set it up to protect Zagreb. This news comes from Moscow, via the VECERNJE NOVOSTI bureau, and gives rise to least three dilemmas: The S-300 is such a big "toy" that by this the arms embargo for the countries of the former Yugoslavia has become simply ridiculous; with the allegations that Ukraine is the purveyor the Russian intelligence sources are perhaps trying to conceal "the sins" of Moscow in similar deals with partners of the same origin; finally, how much is the S-300 worth on the defense positions near Zagreb?

There Is No Perfect Defense

The allegations from Moscow that "Zagreb is now protected by an antimissile and antiaircraft system similar to those around Moscow, St. Petersburg, and other Russian towns" are a far cry from reality. Namely, the Russian "blue belt" with antiballistic nuclear missiles of "Galos" type and the system of "over-the-horizon" radars is a system that was being built for 30 years and cannot be copied to another location in another country in merely three years. However, what is the role and the value of the Russian "Patriot" S-300 on the positions around Zagreb, naturally, on the presumption that this system has truly been delivered to Croatia?

All information and analyses of the combat use of the U.S. "Patriots" in the downing of Iraqi "Scud-B" rockets during the Gulf War have undergone subsequent revisions. In contrast to the initial enthusiasm over the "Patriot's" efficiency, the expert analyses now point at numerous shortcomings of this U.S. antimissile and antiaircraft system.

In the Gulf War, the U.S. "Patriots" were used in an integrated system: the U.S. surveillance satellites in space; "AWACS" and "G- Star" aircraft; ground radars; and the command headquarters of a battery of "Patriot" missiles. Two minutes after the takeoff were sufficient for the satellites in space to signal the launch of an Iraqi "Scud" and for the computers of the system for identification and interception to provide all the necessary data to the "Patriot" battery.

However, even in this case, despite all the satellite surveillance systems and a great number of "Patriot" missiles, numerous Iraqi "Scuds" hit Riyadh, Dharan, and towns in Israel because the "Patriots" did not manage to intercept them on time. There were even cases (the author of this text was an eyewitness to such a situation in Riyadh) when a "Patriot" hit a "Scud" and

the remains of both missiles fell on the town, razing an entire compound to the ground. Even though a "Patriot" took off from a position far away from the town it only managed to intercept the missile above the town of Riyadh itself. The result was so tragic that it would have been better for the "Patriot" not to have taken off at all.

The experiences from the Gulf War confirm that currently there is no perfect or safe antiballistic missile defense system in the world, and that even the U.S. "Star Wars" at its present stage of development does not satisfy the strategists of the Pentagon.

War of the Cities

If the S-300 system has truly arrived in Croatia it was probably positioned on the location of the former antiaircraft missile base of the Yugoslav Peoples' Army in Kerestinac. The P-15 radars (an older model of radar) are probably located closer to the front line toward Pokupski. The S-300 also has a self-propelled surveillance radar with "friend-or-foe" identification capability and there is also a three-dimensional 34-D6 radar located in every missile battery.

The S-300 battery can achieve combat deployment in five minutes, the missiles are fired at three-second intervals, and the battery consists of eight vehicles with launchers (32 rockets altogether). The interception of target aircraft can be carried out to a distance of up to 90 km in the older models and up to 150 km in the later model, and up to 40 km to intercept ballistic missiles. Naturally, these are all theoretical capabilities tested on a testing ground and not in a real war.

What diminishes the combat value of the S-300 system near Zagreb (if it has really arrived there) is definitely the close proximity of the front line and the lack of the possibility of satellite surveillance and guidance against the rockets that the Serbian side might launch. Namely, the S-300 is linked to the Russian satellite system for early warning and information as Ukraine does not have its own system of surveillance satellites.

On the other hand, the S-300 can only with difficulty hit rockets fired from multiple rocket launchers of the "Oganj" or "Orkan" types because they are of small dimensions, have a relatively flat trajectory, and travel to their destination in a short time. Against them the S-300 is simply powerless.

The Iraq-Iran war demonstrated the full tragedy of a missile "war of the cities" because nothing was accomplished by it on the battlefield. The Serbian side can attack numerous Croatian towns with missiles despite the S-300 system. However, this would merely cause civilian casualties, the anger and revolt of the international community, and the repeating of media sensations such as Vukovar or Dubrovnik. Missile attacks on towns have not solved a single war yet, it is the confrontation of soldiers on the battlefield that is decisive. Regarding the S-300 system, its threefold deployment theoretically protects up to 70 percent of targets. However, does anyone believe in contraception that only gives a 70-percent protection?

Minister, EU Official Discuss East-West Road

AU2107132694 Skopje MIC in English 21 Jul 94

[Unattributed report: "East-West Corridor Imperative"]

[Text] The Macedonian Prime Minister Branko Crvenkovski had a meeting in Skopje yesterday with the chief adviser at the EU General Transport Office Otokar Han, at which they discussed the realization of the East-West corridor, that is, the road route Durres-Skopje-Sofia, and further towards Turkey, which is of regional priority, for Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] in particular.

It was concluded that the countries interested in this road route should ensure a considerably more favorable atmosphere among the financiers form the international institutions.

Bureau Issues Statistics on Unemployment Increase

AU2107135794 Skopje MIC in English 21 Jul 94

[Unattributed report: "Unemployment—3,600 New Unemployed"]

[Text] According to the data of the Republic Bureau of Statistics, at the end of June, a total of 184,837 people were unemployed, which is 10,000 people more than the average number of unemployed people during last year. During June alone, 3,608 new unemployed people registered at the Unemployment Office. Only 1,065 unemployed people managed to find jobs during the period of six months.

According to expert estimates, another 3,800 people are expected to be listed as unemployed by the end of the year.

Only 10,918 bankruptcy workers and 1,051 season workers will be able to use the compensation of 2,576 denars per person, 65,413 unemployed people are given health cover, 11,969 receive retirement and disability insurance, while 2,806 re-hired bankruptcy workers are also given money compensations.

Of the total number of unemployed people, 145,996 are looking for a job for the first time, and 89,826 are women. As for the educational structure, 75,581 people are low qualified, 34,290 are qualified and highly qualified, 46,944 people are with a high school diploma, 5,345 people are with a two-year college degree, and 7,230 are with university diplomas. Over 60 percent of the unemployed people wait for jobs three to five, or more years.

Chances of Assembly Dissolving, Elections Viewed

AU2207092294 Skopje NOVA MAKEDONIJA in Macedonian 21 Jul 94 p 2

[Commentary by Z. Petrov: "Everyone Wants Early Elections Now"]

[Text] After several months of blockage in the supreme executive body of the state, it seems that now all political parties have the feeling that things are not being run properly. Regardless of the fact that there are three more months to the regular elections in November, Prime Minister Branko Crvenkovski said in his report at the government confidence session that he will support the idea for urgent parliamentary elections. His idea was strongly backed by the Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] parliamentarians. Two days ago the Socialist Party of Macedonia issued a statement that, since the parliament is not capable of performing its duties, the best thing to do is to dissolve it and organize early elections. We would like to remind you that there have been two unfruitful initiatives of the SDSM [Social Democratic Alliance of Macedonia] for early elections: The first was in April 1992, at the time of Prime Minister Kljusev, and the second was last summer, when the MP's demonstrated that they were not ready to shorten their own mandate.

—The early elections at this moment are not of particular interest to the party and there have not been any such discussions,—said the coordinator of the parliamentary group of the SDSM Ljupco Popovski in connection with the announced initiative. His personal opinion is that the basic reason why the Prime Minister initiated early elections is to have them a month earlier. Prime Minister Crvenkovski, as the SDSM coordinator said, was probably urged to do so because of the climate and pattern of relations in the Macedonian Assembly, which have been tense for rather a long time, because of the blocking effect caused by the absence of some MP's and the blackmailing of some others. On the other hand, Popovski thinks that all MP's and parliamentary groups are fed up with this and that they are aware that this is the reason why many important laws in the economic and political sphere cannot be adopted, and therefore they think that there should be early elections. He supposes that the main motive for the government to call early elections is the fact that the executive power itself is in an extremely difficult and delicate situation, that there are a great number of laws that have been initiated but cannot be adopted. "In any case," Popovski was categorical, "the SDSM as a party and as a parliamentary group will support this initiative for early elections."

Ljupco Georgievski, president of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Movement for Macedonian National Unity] considers that this initiative for early elections three months before the regular elections is nothing but a pure pretense on the part of the ruling parties. He said that over a year ago they had proposed to have elections in September rather than in October, but that had not been accepted. The leader of the largest opposition party thinks that the reason for that was of a very practical nature, first of all because they think that this period of the year is a favorable time for a preelection campaign.

In spite of that, as Ljupco Georgievski emphasized, they would not object if the elections were organized a month earlier, as long as the coalition provides an adequate majority for a session, something that he himself doubts as being possible.

According to Kiro Popovski, president of the Socialist Party of Macedonia, which publicly requested that the parliament be dissolved and early elections be held, the reasons for such action are more than evident, because the continuity of the parliament's work has been obstructed. The election laws and their adoption is not the only reason, Popovski said, but there are also some important economic laws that should stimulate the state's economic relations, counting the approved foreign credits that are waiting to be verified by this parliament. In order to make the whole system function, it is indispensable to have continuity in the parliament. As Kiro Popovski emphasized, "we determined that if the blockade of the Assembly continues, the best thing to do at this moment is to dissolve it." The SPM [Socialist Party of Macedonia] will make such a proposal to the Assembly, and the president of the party is waiting to hear the opinion of the other coalition partners on this.

As Muhamed Halili, the coordinator of the Party for Democratic Prosperity [PDP] stated, his group has not yet discussed any early elections because the PDP has not been officially informed of such a possibility. My personal opinion is, Muhamed Halili stressed, that each day less that this parliament works is a gain, because, as we can see, the parliament is blocked, and the government is in no better situation. That is why the PDP coordinator considers that the sooner we have elections, the faster the work left unfinished by this parliament will be done.

As we can see from the statements of the representatives of some parties in the Macedonian Assembly, no matter whether they are in the government coalition or not, there is agreement in principal on early elections, even just a month earlier. The Constitution allows for that, requiring an absolute majority of the total number of MP's (61 votes), and, bearing in mind the general feeling in the parliament, this will be easily accomplished at this moment. If that comes about, the Constitution specifies that elections be held 60 days after the Assembly is dissolved, and then it means that elections can be held in September instead of November. Of course, it will become possible only if the Macedonian Assembly decides to dissolve itself by the end of this month.

Drnovsek, Valentic Cancel Meeting on Borders

AU2107140094 Ljubljana Radio Slovenia Network in Slovene 0500 GMT 21 Jul 94

[Text] Slovene and Croatian Prime Ministers Janez Drnovsek and Nikica Valentic during yesterday's prolonged telephone conversation established that the members of the bilateral commission for borders had maximized their views at the meeting in Zagreb on Tuesday [19 July]. For this reason the meeting of the government delegations scheduled for tomorrow could not produce the desired results.

Slovenia and Croatia will, therefore, continue coordination separately and verify the solutions and proposals of the other side. The representatives of Ljubljana and Zagreb will meet again on the basis of these verifications and then try to close up the negotiating process. During this time the Slovene side will also consider the possibility of international arbitration.

Peoples' Party Objects to New Justice Minister

AU2007180894 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 20 Jul 94

[Excerpts] The collegium of the State Chamber under the chairmanship of Herman Rigelnik met during the afternoon recess of the State Chamber. The Slovene Peoples' Party demanded the meeting because prior to yesterday's election of Justice Minister Meta Zupancic the parliament had not been informed of the information that the minister was facing a civil trial for her allegedly highly unprofessional work. Marjan Rogelj reports:

[Begin Rogelj recording] The Slovene Peoples' Party is of the opinion that the outcome of the secret ballot might have been different had the deputies been informed about the contents of this information. At the same time they also believe that this constitutes a deliberate obstruction in delivery of information to the offices of deputies.

The discussion in the collegium demonstrated that some deputies had known about this information prior to the secret ballot and that the main office, which receives all the post by citizens, had forwarded the letter further immediately. However, on this occasion the letter was not delivered by the post office but was in the name of the party that intends to sue the minister personally delivered by the secretary of the club of deputies of the Social Democratic Party of Slovenia. [passage omitted]

The collegium's conclusion was that the secretary general should once again establish the precise time when the main office distributed the information to the offices of individual deputies. [end recording]

Report: Ljubljana Used for War Materiel Trade

LD1907164794 Belgrade TANJUG in English 1612 GMT 19 Jul 94

[Text] Ljubljana, July 19 (TANJUG)—Records of the former Slovenian secret service body SOVA have shown that tonnes of war materiel have passed through Slovenia to Croatia and the Bosnian Muslims.

According to the report of a Slovenian parliamentary commission on arms smuggling, at least 524 containers of weapons were transported via Slovenia between 1991 and 1993. The report follows the completion of three months of research into the matter.

The committee said the records of the defunct SOVA counter-intelligence agency show that the Slovenian interior ministry purchased several hundred tonnes of TNT in the Czech Republic on behalf of the Bosnian Muslims.

It said the files show that the Slovenian defence and interior ministries played a key role in arming the Croatian army and the Bosnian Muslim army in return for payments of several million dollars.

The committee reported that according to the secret records, influential state officials of the breakaway Yugoslav republics of Slovenia, Croatia and Bosnia-Herzegovina took part in arms sales and smuggling.

The Slovenian weekly MLADINA, recently reported that Slovenia had reaped as much as 350 million german marks from its role in the arms trade.

Federal

Jovanovic Assesses Serbian Reply to Contact Group

LD2107230994 Belgrade TANJUG in English 2212 GMT 21 Jul 94

[Text] Belgrade, July 21 (TANJUG)—Yugoslav Foreign Minister Vladislav Jovanovic assessed that the reply of the Serbs in Bosnia sent to the proposal of the "Contact Group" demonstrated a strong commitment for a peaceful concept of resolving the crisis. He also warned that any attempt at belittling its importance would be tantamount to a strike at the peace process.

In an interview to Belgrade daily VECERNJE NOVOSTI, Friday's issue, Jovanovic stressed that the reponse of the Bosnian Serb Republic Parliament was absolutely positive and that this "positive charge sprung from each letter, even as regards the maps."

The Serb side gave its reply in the form of a declaration, which set out that the Bosnian Serb Parliament was not in a position to make a decision on the proposal as it lacked all its elements. The Bosnian Serb Parliament urged resumption of work on the proposed map of territorial delimitation in Bosnia and authorized its negotiating team to conduct further talks.

"We must not forget that the Bosnian Serb Republic has on several occasions proclaimed cessation of hostilities, something no other side in the war did. For this reason, the Serbs in Bosnia cannot be stigmatized as the side opposed peace," he said.

The declaration absolutely backed a peaceful, political, solution to the crisis, meaning durability and justice, and not semi-solutions and temporary solutions, said Jovanovic. He added that in this context he saw also the elements of certain concern for the other elements of the peace plan to be resolved parallely.

These, according to Jovanovic, were "specifying the constitutional position of the Bosnian Serb Republic in relation to the Moslem-Croat Federation, the right of the Serbs in Bosnia to enter confederation with the Federal Republic of Yugoslavia and Serbia, access to sea, the Sarajevo status issue, firm guarantees U.N. sanctions against Yugoslavia would be lifted."

[Word indistinct] that there was no alternative to peace not only for the Serbs in Bosnia but also for the foreign forces, apart from a group of radical Moslem countries which have an interest in fishing in muddy waters in the former Yugoslavia, Jovanovic appealed on the "Contact Group" not to let pass the opportunity for speedy solving of the problems.

Asked whether he believed such awareness was ripe also among the diplomacies of Europe, Jovanovic answered: "If it isn't, then it will have to become so."

"The map proposal was not described as ideal by any one so far. But the proposal alone could not have restored peace and secured continual security, if it was not harmonized with other solutions," warned Jovanovic.

Even if the Bosnian Serb Republic was offered larger space territorially, but its independece limited and the right to decide where and whom the Serb were to live with, and should the authority of the Serb people on these territories be minute, then such a map proposal would not have been acceptable, assessed the Yugoslav foreign minister.

Defense Council Views Army Training, Defense

LD2107160394 Belgrade TANJUG Domestic Service in Serbo-Croatian 1359 GMT 21 Jul 94

[Text] Belgrade, 21 Jul (TANJUG)—A session was held in Belgrade today of the Supreme Defense Council with the president of the Federal Republic of Yugoslavia [FRY], Zoran Lilic, in the chair.

The Supreme Defense Council discussed a number of topical issues concerning FRY security, combat training the Yugoslav Army and the defense of the country. Following the discussion, appropriate decisions were passed, the military office of the FRY president announced.

In addition to the Supreme Defense Council members and Presidents of Serbia and Montenegro, Slobodan Milosevic and Momir Bulatovic, the session was attended by Federal Deputy Prime Minister Jovan Zebic; Federal Defense Minister Pavle Bulatovic, and Colonel General Momcilo Perisic, chief of the general staff of the Army of Yugoslavia.

Status of 1st Army Border Protection Discussed

94BA0342A Belgrade VOJSKA in Serbo-Croatian 5 May 94 pp 23-24

[Article by Zika Antic: "Security of State Borders in 1st Army: Passage Only Through Carin"]

[Text] *At the VJ [Armed Forces of Yugoslavia] Club in Bela Crkva, the most responsible officers of the border units and Command of the 1st Army, in the presence of chief of staff Brigadier General Dragoljub Ojdanic, performed a comprehensive analysis of the security of the state borders in 1993; demonstration exercise carried out at the "Marko Pericin Kamenjar" Watchtower, the goal being to refine and standardize the criteria of elements of the border service, while considering certain new tactical approaches; the priority in equipping the border units, aside from the consistent resolution of status questions of border guards—officers, contract soldiers; traditional cooperation with institutions of government, MUP [Ministry of Internal Affairs], and the people in the border zone.*

Last year alone, 353 illegal border-crossers swarmed to the part of the state border in the zone of responsibility

of the 1st Army, extending more than 900 km—213 of them from our country and 140 into our country; a total of 14 border incidents occurred—eight of them attributed to our citizens and the other six to foreign nationals. The border is also guarded at places where it has never existed, facing the RS [republic of Srpska], the RSK [republic of Serbian Krajina], and the Republic of Croatia, which has demanded of these people exceptional vigilance, self-initiative, and not infrequently a more flexible attitude toward the people in the border zone, which is not provided for in regulations or in the Law on the State Border.

In short, these are some of the emphases heard about at last week's meeting to analyze the security of the state borders in the 1st Army, held at the VJ Club in Bela Crkva. The introductory speech was delivered by an officer in charge of border questions, Major Bora Tresnjar, whose work has been directed by the chief of the operations division of the 1st Army, Colonel Dragan Stojiljkovic. The analysis was also attended by Army chief of the staff Brig. Gen. Dragoljub Ojdanic. Thus, the appropriateness of the analysis is understandable, although overdue, whereby this analysis could soon be reduced to the decision to raise the quality of the security of state borders to a higher level, given the more acute demands. Old habits and the difficulty of adjustment, especially where a new state border has been established, have resulted in a great deal of unclarity, because of which units of the border service have most often had to make decisions on their own and act selectively from one case to the next over the past two years, which in the opinion of officers from the Danube and Drina Division has significantly complicated the work of units involved in securing the state border in some border areas.

Still, they say, the border is being guarded by fear, the people, and well-trained border guards with trained guard dogs. The border guards themselves insisted on this on this occasion as well while analyzing tactical operations and the efficiency of actions by border service units and innovations decided on in order to surprise violators of the cordon on every occasion, while routine action has been replaced by an initiative-oriented, creative approach to every task along the border. And despite the visible results, one of the youngest border guards, the commander of the "Toza Markovic" Watchtower at Kikinda, Sergeant 1st Class Ivan Prakljacic, advocated a radical change in the system for securing the state border, saying that greater attention should be given to deeper security, that the depth of the border zone should be extended to 500 meters, and that at night the border should be controlled only from a depth, in ambush position, and not in line position, because illegal border-crossers, of which unfortunately there are many from our country, observe the border patrols and ambushes from a distance and thus, sometimes, succeed in crossing the state border regardless of the vigilance of the guardians of the state boundaries. The young officer also advocated better technical equipment for watchtowers, where soldiers and officers most frequently arrive on foot, while only one motor vehicle would solve all the problems, especially with regard to health care.

Continuous Service

Guarding and protecting the border requires well-trained, equipped, and armed border guards. For now, these guards are soldiers completing their term of military service and contract soldiers. Regular conscripts arrive at the watchtower four times a year, and each party must be prepared and familiarized with details of the border, regardless of the two and a half months of training that everyone says is inadequate, precisely because of the specific nature of the service, on an equal footing with war duties. Moreover, contract soldiers at the border, which like the others have a clearly defined eight-hour work day, perform their service continuously, without compensation. Particular problems emerge during annual leave. Thus, one of the more important tasks on the VJ level would be to examine and resolve more thoroughly and comprehensively the status of contract soldiers, especially border guards whose duties differ essentially from the duties of those who are posted to registration offices, to depots, or to any other peaceful locations with fixed eight-hour work days.

During this discussion, the subject of "paperwork" was unavoidable—the prescribed documentation that is kept, its efficiency and suitability. The unanimous opinion was that 14 documents for operations, 13 documents for instruction, and five documents to execute and monitor the situation at the state border are excessive. Are 32 written documents really necessary?!

There was also talk at the meeting of extraordinary events for which the military organization is to blame, although such events at the border are negligibly small in number. However, if despite the measures taken something still does happen, then the officers are responsible for determining who is to blame, which does not mean, a priori, that the military organization is exonerated of responsibility. Responsibility should not be avoided, but neither should blame that exists neither morally nor legally be easily accepted. For this reason, the Command of the 1st Army demanded that each soldier-border guard carry in his pocket a memo pad to remind him of caution and of everything that he should do to see to it that an unfortunate situation does not arise. Since that has been done, in more than 80 percent of all cases, according to a rough estimate, the threat to human life at the border has been avoided in the 1st Army's zone of responsibility.

Priority to Border Guards

By thus debating one question after another, one proposal after another, by specifying on the scene who is responsible for certain jobs and time limits, a great deal of which was resolved instantly, from trivial issues such as the border guards' clothing—specifically, it was noted that border guards change clothes exactly six times a day

in order to protect their multicolored camouflage uniforms, using instead the M-77, although in that way, they say, they wear out faster than if they are kept on—to certain very important and complex issues, to which the rich wartime experience was applied. Special attention will be devoted to modernizing communications, because the general personally promised Motorolas to the border guards, in addition to the standard radio sets, since they have proven to be very practical and irreplaceable equipment in war.

In the closing speech, Brig. Gen. Dragoljub Ojdanic, the chief of staff of the 1st Army, paid tribute to border guards for their successful securing of the state border during difficult times.

"We are forced to apply a creative approach to finding optimal solutions in securing our state boundaries, and any other effort as long as this situation persists, as long as our brothers are struggling for mere survival, would be a utopia or a mere abstraction. If we were not doing this, we would find out that we have nowhere else to go, because we have no backup homeland—either we will protect and defend it, as the Serbs in the RS and RSK are doing, or we will lose forever and become someone's vassals. Thus, we will do our most in terms of materiel to see to it that the border units are equipped with the most modern technology and that status issues are resolved, while putting installations in a decent state."

After the analysis at the VJ Club, the border guards of the "Marko Pericin Kamenjar" Watchtower, who have been commanded for 17 years by Sergeant Major Milentije Bozilovic, carried out a demonstration exercise: the work and activities of security units in the watchtower region in specific situations by day and by night in order to standardize the criteria of work by border units. Officers also had the opportunity to familiarize themselves with the most modern technical equipment designed exclusively for border units.

Serbia

Bosnian Serb Delegation Returns to Belgrade

LD2107143994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1419 GMT 21 Jul 94

[Excerpts] Belgrade, 21 July (TANJUG)—The Serb Republic delegation headed by President Radovan Karadzic arrived in Belgrade from Geneva today. [passage omitted] Karadzic and his aides again refused to make any comments on their arrival in Belgrade. In a brief statement Vice President Nikola Koljevic said: "All will be revealed shortly." He was clearly referring to the confusion caused by the Bosnian Serb parliament's declaration. [passage omitted]

Arrest of Zrenjanin 'Boss' Detailed

94BA0349A Belgrade VREME in Serbo-Croatian 27 Jun 94 pp 28-29

[Article by Ivan Radovanovic: "Philanthropist in Prison"]

[Text] At noon on 1 June the Zrenjanin police burst into the offices of the private firm ANB. They arrested Andjelko Bitevic, owner of the firm, confiscated several cartons of papers, gave one woman in the office a fright, took a diskette from ANB's main computer, and finally sealed the offices. A case that will provide excitement for days to people in Zrenjanin and those who live in nearby villages has just begun.

Even during his first questioning, Andjelko Bitevic acknowledged that he owed the state some 150,000 dinars in back taxes, he offered to pay that amount immediately, and then everything turned into a lengthy and complicated tale which for the moment has no foreseeable end.

Various official and unofficial versions have also been spun about all this, but in the most official terms it all began this way: In April, the financial police paid a visit to the firm ANB, examined the books, and established that the firm had imported a certain quantity of goods from Romania, and then exported only a part of those goods to Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], and then sold the difference in its own stores without reporting it to the state. That transaction, the financial police discovered, deprived the state of tax in the amount mentioned (150,000 dinars).

The official version goes on to say that Bitevic did not pay that amount on time, that he was arrested, and that subsequent investigation established a similar debt—back taxes—in certain other shops of ANB. As of Wednesday, 22 June, the public prosecutor had charged Bitevic with evading some 250,000 dinars in taxes, and this Zrenjanin private operator's lawyers expected that the prosecutors, in order to "accentuate" the case, would make a statement concerning a much larger sum and would charge that Bitevic is actually Zrenjanin's biggest criminal.

Personal Identity Card

In conversation with people in Bitevic's circle, one hears that Master Andjelko "weighs" between 20 and 50 million German marks. He has a bakery, 60 shops in Zrenjanin and environs, large discount stores in Ecka and Vrsac, a coffee-roasting plant, a slaughterhouse, a garage with all the machines for overhauling engines, a restaurant.... We need to add to this trade transactions (import-export), a large fleet of vehicles, buses carrying passengers between Ecka and Zrenjanin, and about 1,000 hectares of land under lease. All in all, at the moment when he was arrested, Bitevic was covering more than 50 percent of the Zrenjanin area with his bread and other products. What is more, he also had a

football team in his native Stajicevo, and has been one of the main donors throughout the area. ANB has been employing 360 people, and the number of those associated with the firm in one way or another is several times greater. People say that in Stajicevo, for example, there is not a single tractor or combine which was not bought on credit from Bitevic in exchange for agricultural products.

There are not many traces of Master Andjelko's beginnings, the firm was registered in 1990, on the eve of all our wars, and to this day rumors circulate in Zrenjanin about Bitevic going off to Slovenia and Croatia, buying large amounts of goods, and later refusing to pay for them. Mention is also made of pistol-packing gunmen who came from the western republics to collect the debt and of Andjelko's boys who waited for them with "kalashnikovs." There are no official traces of any of these stories, nor of those to the effect that Andjelko was a pet of former Serbian Prime Minister Zelenovic, who, the story goes, even invested some capital in ANB.

All that is certain is that Bitevic was a rich and powerful man. There is no information about any very firm connection he might have had with local or any other authorities, although one can conclude from the list of his "donations, gifts, and aid," which is circulating through Zrenjanin these days in the form of a petition for his release from prison, that the government did derive some considerable benefit from his philanthropy. Aside from hard-surfacing all the streets in Stajicevo and building a medical center in that same town, he cleaned up the cemetery, renovated the church, paid for school lunches, and provided schoolchildren transportation to Zrenjanin.... On the eve of the last election, for example, Bitevic even provided pensions to Zrenjanin pensioners (issuing them along with their pensions packages of necessary foodstuffs); it is thanks to him, to go on further, that people in Zrenjanin had no problem getting bread in the period of highest inflation, when large numbers of bakeries shut down because of the price of flour. ANB was going full steam, producing bread and recording losses. In addition, Bitevic also financed all opstina celebrations, including those in the court and the police, he supplied drugs and other materials to the hospital (he had previously provided funds for its construction), he sent physicians to seminars abroad, he gave jobs to refugees, he sent aid to the krajinas, he provided funds for the water supply system; people in Zrenjanin say that it is thanks to all this that the local government simply "stood on its hind legs" for Bitevic, but even that assertion cannot be confirmed at this point. What is more, last Tuesday when Bitevic's friends sought the help of the opstina president, they were told that "the president could not interfere in the proceedings of the court." When they called for the same help from the police and mentioned Bitevic's financing of various celebrations, they were told: "No one forced him to do it." Andjelko's friends experienced the last denial of the story about Bitevic's helping the Zrenjanin authorities when they carried the petition for his release from prison to the Zrenjanin hospital—the director of the hospital issued a ban on signing it.

The Defense

By contrast with the authorities, people who literally derive their living from ANB have never thought of turning their back on Master Andjelko. The very night after his arrest local people of Stajicevo decided to blockade the road to Belgrade, the football team promised that it would not play its matches, petitions were drafted, a rally was organized first in Stajicevo and then also in Zrenjanin, and the peasants threatened that they would not harvest their crops.... The authorities answered these moves with a statement about interfering in the proceedings of judicial bodies, then Andjelko's friends were read a lesson in court somewhat in the style of: "You have not been fair toward us, so we will not be fair toward you," and the protest quickly stopped. The lawyers Vladimir Horovic and Ljuba Apro told VREME reporters that they were against any pressure on the court and that they wanted to get their client released from detention by legal means.

From what they went on to tell us, the whole problem with Bitevic occurred because of an infringement of the law, but not Bitevic's "infringement of the law," rather that of the courts and prosecutor. Vladimir Horovic said he could quite safely be released on bail to await trial, and he gave several reasons. First, in the very first interview he said that the debt to the government must exist if the financial police ascertained it; he remarked that he was not concerned with the bookkeeping and he therefore did not know about the debt and offered to meet all his debt obligations immediately and deposit with the court all 150,000 dinars. In addition, say the lawyers, back on 4 June all the scheduled witnesses were interrogated, and therefore another reason given for releasing Bitevic from detention is that there is no longer an opportunity to influence the witnesses. And the defense offered as its last trump for having its client released from detention the unique "suspension" of his signature—the offer was made that Bitevic would sign a written obligation in the court that he would not sign any document related to the firm's business until the trial was completed.

"On Wednesday, 22 June, the court finally refused to rule on our motions," Horovic said. "At the same time, the court and prosecutor's office failed to respect the law even earlier, because they gave expansion of the investigation as the grounds for Bitevic's continued detention, even after 4 June and the questioning of the witnesses. Under the law, expansion of the investigation must be preceded by interrogation of the accused and a decision of the investigating judge and public prosecutor concerning that expansion. And the whole story about infringement of the law is right there—such a decision is not recorded in the court records."

The court and prosecutor's office have not given much importance to the accusations of the defense, not even after the appeal addressed to the federal and public ministers of justice (they do not seem to be ministers, because they have not responded in any way to the

letter-appeal of Bitevic's lawyers). Goran Zec, the investigating judge, told VREME that 30 days of detention was pronounced against Bitevic immediately after his arrest and that this would remain in effect, but Dragan Lazic, deputy public prosecutor, told us only that the investigation had been expanded and that an official press release would be made concerning the entire case.

Grounds

Even though he himself has admitted tax evasion and said that he had been detained more or less legally, people in Zrenjanin perceive Andjelko Bitevic as a victim. Victim of what it is not clear, but the city has concluded in general terms that Andjelko "stepped on somebody's toes." His brother Dragan says that "the boss did not have any business enemies, and he had no connections with political parties" and that it is not at all clear who is behind everything. The lawyers say that there has been no previous court case when a defendant was not released on bail in a case involving 150,000 dinars. The peasants suspect that behind all this is Andjelko's recent promise that he would be paying immediately and in cash for the grain he bought, which did not suit the government at all, which just now is planning how to "put one over" on the peasants and come away clean. Some of those employed in ANB think that the "boss" simply began to present too much competition. In his shops, a 900-gram loaf of bread was cheaper than the 600-gram loaf in the socialized stores, and the bakery crisis, when they needed him, is now long over.

"They want to shut down the firm," VREME was told by one of Andjelko's associates, who asked that we not publish his name. "The boss was really the boss here, and without him everything has been at a standstill for days. We are unable to do anything. In the end, we will put on a padlock and that will be it. They really want to shut us down."

To people who come into the whole story from outside, it all looks a bit different. Precisely as though Andjelko Bitevic had become too big a boss in too small a place. Then by unfortunate accident he made a mistake and fell into the hands of those who had been "standing on their hind legs" for him and whose celebrations he had organized. When you think it over a bit, nothing worse could have happened to him.

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